Daily Report

East Europe

FBIS-EEU-95-123
Tuesday
27 June 1995

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Daily Report
East Europe

FBIS-EEU-95-123 *27 June 1995*

CONTENTS

NOTICE: This volume contains a representative selection of material previously disseminated in softcopy format.

ALBANIA

New Montenegrin Base Seen as 'Aggressive Act' *[REPUBLIKA 20 Jun]* 1

SLOVAKIA

Meciar on CR Abrogation of Payments Agreement *[Bratislava Radio]* 2
Revival Group Outlines SDSS Platform's Motives *[NARODNA OBRODA 23 Jun]* 2

HUNGARY

Kovacs Hears 'Conciliatory Tone' From Melescanu *[Budapest Radio]* 4
Horn Denies Confidence Crisis Within Government *[Budapest Radio]* 4
MSZP Official Views Coalition, Party Matters *[NEPSZABADSAG 22 Jun]* 5

BOSNIA-HERZEGOVINA

Arms Embargo 'Only Resolution Being Observed' *[Sarajevo Radio]* 7
Sacirbegovic: We Will Fight Until Peace Achieved *[Sarajevo Radio]* 7
Filipovic: No Peace Without FRY Recognition *[Sarajevo Radio]* 8
UBHSD: Pressure Serbia To Recognize Bosnia *[Sarajevo Radio]* 8
Karadzic Warns Germans About Military Interference *[SRNA]* 8
Krajisnik Rejects 'Confederal Ties' to FRY *[NASA BORBA 24-25 Jun]* 9
Serb Official Confirms Churkin Proposal *[NASA BORBA 24-25 Jun]* 9
Serbs Threaten To Regard RRF as 'Enemy' *[Vienna Radio]* 9
Bosnian Serbs Claim Muslims Massacred Elderly *[SRNA]* 10
SDS Appeals to Citizens To Help Defend State *[SRNA]* 10
Mladic: Serbs Will Achieve Just Goals *[SRNA]* 10

CROATIA

Former RSK Prime Minister Urges Elections *[Belgrade Radio]* 12
Opposition Parties Criticize Tudjman Activities *[TANJUG]* 12
Goran Hadzic's Role in RSK Examined *[DELO 3 Jun]* 13

POLAND

Walesa Meets President Clinton, Jewish Committee *[Warsaw Radio]* 14
Zielinski To Submit Presidential Candidacy in Jul *[RZECZPOSPOLITA 27 Jun]* 14
Poll Shows Continuing Support for SLD *[TRYBUNA 25 Jun]* 14
SLD: Partners Have Right to Separate Identity *[Warsaw Radio]* 15
Majority Says Things Worsened Under PSL-SLD *[RZECZPOSPOLITA 27 Jun]* 15
Cabinet's Ratings Rise, Prime Minister's Decline *[ZYCIE WARSZAWY 25 Jun]* 15
Oleksy Seeks Role in EU Before Full Membership *[Warsaw Radio]* 16
Help for Poles Seeking Compensation From Germans *[Warsaw TV]* 16
Expected Budget Revenues From Privatization *[GAZETA WYBORCZA 22 Jun]* 17
IMF Confirms Partial Convertibility of Zloty *[Warsaw TV]* 17
NBP's Role in Foreign Exchange Reserves *[GAZETA BANKOWA 28 May]* 17
Reasons for Steel Industry Revival Noted *[RYNKI ZAGRANICZNE 23 May]* 18
Poznan's Foreign Trade Achievements Discussed *[GAZETA POZNANSKA 6 Jun]* 20

ROMANIA

Foreign Ministry Assails Hungary's Minority Study *[Budapest Radio]* 22

YUGOSLAVIA

Federal

Red Cross Praises Milosevic's 'Positive Role' *[TANJUG]* 23
Libyan, FRY Deputies Urge 'Impartial Conduct' *[TANJUG]* 23
Parliament Speaker, Imbeni Urge Equal Treatment *[TANJUG]* 23
FRY, CIS Deputies: No Reason for Sanctions *[TANJUG]* 24
Roundtable on Ethnic Relations Ends *[TANJUG]* 24
Minister on Hungarian Minority's Autonomy Goals *[TANJUG]* 24
Government Accuses Bosnian Muslims of Genocide *[TANJUG]* 25
Bank Governor Urges Budget Cuts, Investments *[TANJUG]* 25
Electricity Accord Signed With Greece, Romania *[TANJUG]* 25
Commentary Criticizes German Role in RRF *[Belgrae Radio]* 26

Serbia

St. Petersburg Delegation Focuses on Trade *[TANJUG]* 26
Families of Forcibly Mobilized Men Demonstrate *[Sarajevo Radio]* 27
Muslim Leader Discusses Situation in Sandzak *[VECERNJI LIST 19 Jun]* 27
Opposition Urges Contact Group Plan Acceptance *[TANJUG]* 29
SPO Issues Statement *[Belgrade Radio]* 29
Trade Union Notes Drop in Employment *[Belgrade Radio]* 30
Zastava Company To Produce New 6.35-mm Pistol *[POLITIKA 25 Jun]* 30

New Montenegrin Base Seen as 'Aggressive Act'

AU2606130095 Tirana REPUBLIKA in Albanian 20 Jun 95 p 1

[Commentary by a.p.: "Military Base in Ulqin—An Aggressive Act"]

[FBIS Translated Text] Hopes for a more moderate policy in Montenegro than Belgrade's extremist nationalism have faded after the decision by that "ecological state" to build a military base close to the Albanian border.

Ulqin, which is a tourist attraction inhabited by Albanians, will suffer from such a base. The damage done to the Albanians will be small compared to the tension in relations with Albania. Montenegro's rapprochement with Albania and the West at this difficult time had been interpreted as a signal from the present Yugoslavia that that "state" could follow a path different from Serbia's. These hopes have all along been a Serbian-Montenegrin maneuver to reduce the effects of the UN sanctions.

While, until recently, there has been hesitation and positive thoughts over the idea that Montenegro could change its course, this latest decision needs no further comment.

Montenegro has neither the power nor the political will to deviate from the course followed by Yugoslavia. Montenegro is Serbia. This latest aggressive act against Albania was undertaken to convince Serbia and Montenegro rather than Albanians.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Meciar on CR Abrogation of Payments Agreement

LD2606165095 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 26 Jun 95

[FBIS Translated Excerpt] A number of topics on our internal political scene have been talked about for some time and yet not everything is clear about them. Magda Pospisilova asked Prime Minister Vladimir Meciar two questions:

[Begin recording] [Pospisilova] After the abrogation of the payments agreement between the Czech Republic [CR] and the Slovak Republic by the Czech parliament on 21 June, you said the Slovak Government would react to this step within a week while it was considering the advantages of the customs union. Prime Minister, can you tell us something about it today?

[Meciar] Naturally, the government envisaged this step on the Czech side. We had done everything possible to avert it. Above all, there was an agreement between Czech Prime Minister Klaus and Slovak parliament chairman Gasparovic—that was not a bona fide agreement but rather a joint expression of will of the two—to the effect that the problem would be solved once the Slovak side has resolved the issue of the currency exchange rate variation minus five [as heard]. We have done that, and the problem was not solved. Further, I suggested to the Czech side in writing that we should set marginal credit to zero at first and then we should cancel the agreement because we were left with 5 billion Slovak korunas not included in the treaty where the mechanism of returnability was not solved. The Czech side did not react to this proposal of mine at all.

We should also examine the question of functioning of the customs union—namely, how much we are gaining by there being no customs at the border and how much we are losing when some reexports get to our market via the Czech Republic in this way, while using a united customs territory, and when we are not able to control customs tariffs. It seems there are more disadvantages than advantages.

We should take into account that we export 35 percent of our foreign trade volume to the Czech Republic, which is 5 percent less than previously. We have no interest in abandoning this market. On the other hand, we must consider very sensitively the measures adopted by the partner and whether it is a trustworthy partner. The agreements on joint currency were not fulfilled, agreements that there will be no customs houses at the border were not fulfilled, the payments agreement is being abrogated unilaterally, the agreement on the Bojnice altar is not being fulfilled, and the agreement on the return of gold to Slovakia is not being fulfilled. We are not talking about the controversial claims the Slovak side listed in 1993; on the contrary, some other solution is expected. That is why our strategy is that of considering questions of our positive interest in the Czech market and the negative influences existing in our mutual trade. We should also consider that, in this situation, the Slovak side would like to develop positive trade contacts in some other countries and that we would be bound to the Czech Republic via the customs union. The advantages we are gaining for ourselves we are in fact gaining for them as well, via the customs union. The question is whether this position is advantageous for us. That is why the government's next steps will be aimed at all of the similarly indicated spheres; the ministers already have tasks, each of them knows what to do and what he will do within a short period of time. I assume that, after the measures are implemented, the public will acquaint itself with what has been done.

I regret that the Czech side was taking unilateral steps in a situation when it was not necessary, when it met with a more than accommodating approach on the Slovak side. [end recording] [passage omitted]

Revival Group Outlines SDSS Platform's Motives

AU2606153895 Bratislava NARODNA OBRODA in Slovak 23 Jun 95 p 3

[Statement issued by Lubomir Kohut, Ivan Laluha, and Boris Zala, members of the Social Democratic Revival group within the SDSS; place and date not given: "Social Democratic Revival—The Domestic Political and International Contexts"]

[FBIS Translated Text] It may be natural that, following the establishment of the Social Democratic Revival platform, there has been a series of analyses and commentaries on its significance for the Slovak political scene. Because, during the initial stages, the platform's signatories were announcing it, first and foremost, to members of the Social Democratic Party of Slovakia [SDSS], we did not make it public as an entity in the press. We will do so only after discussions within party bodies. Despite this, the debate on the platform's orientation is very lively, which also compels us to take a public stand on some issues.

First and foremost, there has been speculation about the platform's position between the Party of the Democratic Left [SDL] and the Movement for a Democratic Slovakia [HZDS], between the "Weissites" and the "Meciarites." The platform has evolved, however, mainly from the social democrats' internal needs. It is not oriented toward either the SDL or the HZDS. On the contrary, it is oriented toward the onetime dream of Slovak social democrats to have their own strong party, a party with great intellectual and political potential and the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

support of a large part of the public in all corners of Slovakia. It is necessary to renew the positive trend that also led to Alexander Dubcek's joining the SDSS and to amalgamate all of the ideological streams, personalities, and supporters of social democracy. This requires new strengths, an energetic policy, and the integrative ideological plurality of social democracy. It is also desirable to renew the democratic spirit within the activity of the party itself because only such a spirit creates favorable conditions for an increase in the party's significance. And it is necessary to revive the ambition to offer the very best program to Slovak society, which will knit together Slovakia's needs with the experience of European social democracies. These are just our motives and not political positional speculation.

However, we must also touch on the international aspect. In some commentaries (including NARODNA OBRODA), there has been speculation about the HZDS's interest in the SDSS's name. It has been suggested that the Social Democratic Revival platform could be a means toward this end for the HZDS. We have no information, either official or unofficial, on the HZDS's interest in pursuing this path. If, however, the HZDS decides to strive for membership in the Socialist International [SI], that will be purely a matter for this movement. The SI will make a decision on the HZDS's admission according to the approved criteria for membership in this organization. If the HZDS does not comply with these criteria, no one, not even the SDSS, can help it get into the SI. It is not only that we do not intend to give our name to the HZDS, but also such a step is not even possible. If the HZDS is interested and meets the conditions, it will become an SI member; if it does not meet them, it will not become a member. The SDSS, as a regular SI member, cannot smuggle the HZDS into this organization under its wings.

Such is the reality, and, therefore, none of the speculation that the SDSS may become a bridge for the HZDS into the international social democratic organization has any foundation. The HZDS can, or rather, has to proceed only along its own path.

The aim of the Social Democratic Revival platform is to form an intellectually and politically strong party and not to build bridges for other political parties. Those parties that fulfill the SI's program are, of course, our natural partners.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Kovacs Hears 'Conciliatory Tone' From Melescanu

LD2606205295 Budapest Kossuth Radio Network in Hungarian 1600 GMT 26 Jun 95

[FBIS Translated Text] Just a few hours before the Hungarian-Romanian summit, which is to be held tomorrow, Hungarian Foreign Minister Laszlo Kovacs seems to find signs of a more conciliatory tone in a statement by the Romanian Foreign Minister Teodor Melescanu regarding the two countries' basic treaty. Kata Peli Nagy reports:

[Peli Nagy] Laszlo Kovacs considers Teodor Melescanu's statement made this morning a compromising proposal, which had already been raised in the course of earlier talks. According to this proposal, the Romanian side would like to see to it that, if the Council of Europe's Recommendation 1201 on minorities is, after all, referred to in the basic treaty, it should be made clear in an appropriate document that the two sides do not recognize collective rights of minorities and territorial autonomy based on ethnic principles.

The Hungarian foreign political administration is ready to accept that these are not included in the recommendation of the Council of Europe, but it would not be right to renounce them once and for all. Here is Laszlo Kovacs.

[Begin Kovacs recording] The way I am trying to find a solution is not by renouncing anything in this exchange of letters, but by making it clear what is and what is not included in Recommendation 1201, about which certain Romanian circles are extremely worried. The recommendation does not include the phrase "collective rights"; therefore, if somebody asks us to confirm this, it can be done without reservations. However, we are not prepared to endorse any kind of restrictive interpretation of Recommendation 1201. [end recording]

[Peli Nagy] It will be decided in Cannes tomorrow how far the Hungarian and Romanian negotiating parties are prepared to go in compromising.

Horn Denies Confidence Crisis Within Government

LD2606205895 Budapest Kossuth Radio Network in Hungarian 1600 GMT 26 Jun 95

[Passages within quotation marks recorded]

[FBIS Translated Text] The prime minister is not aware that anybody wishes to leave the parliamentary group of the Hungarian Socialist Party [MSZP], all the more because Gyula Horn does not detect a crisis of confidence between the government and the deputy group. The party chairman and prime minister today met the leading bodies of the party. Laszlo Gardai reports;

[Gardai] Following the internal disputes at the weekend, the prime minister said that there was no question of a confidence crisis, and the deputies were ready to accept that the government's scope of actions is restricted.

[Horn] "The MSZP has never been united. We try to neutralize or resolve the differences of opinion with debates and in fact, the meeting of both the MSZP Presidium, and that of the deputy group yesterday, was characterized by a very sharp and lively debate. However, there was no question of anybody taking offense or wanting to leave the MSZP, or the MSZP parliamentary group because of this."

[Gardai] At the same time, Gyula Horn confessed that both the deputy group and the government are in a difficult situation, because society finds it difficult to accept the emergency measures.

[Horn] "We feel that there is disappointment, bitterness, and a kind of apathy among the people and our supporters."

[Gardai] However, in reply to a question from the "Chronicle" program, Gyula Horn said that people understood the necessity of the government's steps and this, in itself, indicated their acceptance of them also. He said that before the compilation of the 1996 budget a separate survey was to be carried out about the situation of families, old people, and the unemployed. The government, after the interdepartmental coordination meetings, at the end of July will deal again with next year's budget. Gyula Horn said that the stabilization program had to be reconciled with the people's capacity of endurance.

[Horn] "Just to avoid misunderstanding, there is no question of the government changing its mind about continuing the program of financial and economic recovery and stabilization. However, before making the final decision, accomplishing of comprehensive surveys, background studies, and the analysis of facts and figures are necessary."

[Gardai] Tomorrow the prime minister is to travel to the European Union summit in Cannes. He said that a new period is expected to start in relations between the EU and Hungary. Gyula Horn trusts that the upcoming meeting will unequivocally define the conditions of accession about which concrete talks could begin in 1996. There is hope for a larger loan to be given to the countries with associate membership, but there is no doubt whatsoever, that no financial institution is able and willing to finance a debt spiral any more, he said.

In reply to a question, the subject of the Hungarian-Romanian Basic Treaty was also brought up.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Horn] "Unfortunately, the Hungarian-Romanian Basic Treaty has entered a very unfavorable phase. The experts' talks demonstrated that the Romanian party even withdrew from passages of text that it had agreed upon earlier."

MSZP Official Views Coalition, Party Matters

AU2306190795 Budapest NEPSZABADSAG in Hungarian 22 Jun 95 p 8

[Interview with Mihaly Bihari, a member of the presidium of the parliamentary group of the Hungarian Socialist Party, by Lajos Pogonyi; place and date not given: "Horn Is Not a Prisoner of the Finance Minister"]

[FBIS Translated Text] [Pogonyi] In your view, is it true according that Prime Minister Gyula Horn is the prisoner of Finance Minister Lajos Bokros?

[Bihari] I think this opinion is too strong, namely that Gyula Horn is the finance minister's prisoner or hostage. However, we must accept the fact that, in a country in the midst of an economic crisis, the finance minister who is directing the program of extricating the country from the prevailing economic crisis plays a dominant role in the government.

[Pogonyi] Dominant or autocratic?

[Bihari] Dominance cannot turn into autocracy.

[Pogonyi] In your view, who can see to it that dominance does not turn into autocracy?

[Bihari] The prime minister.

[Pogonyi] Is there a danger of Lajos Bokros becoming a despot in the government?

[Bihari] There is a danger that, in order to "implement by all means" the program of crisis management and under the pressure of reducing the budget deficit, the prime minister or the government subordinates social and political values and interests to the aforementioned pressure, values and interests that could be alternatives or corrections to the finance minister's economic policy. This economic policy can also destroy things.

[Pogonyi] Does this mean that, in a given case, the prime minister might also subordinate his previous positions to this?

[Bihari] This is a broader problem. Nowhere in the world is it possible to offer an economic alternative against the finance minister in a government, but there can be, and must be, a social policy alternative. Economic considerations can and must be subordinated to higher and long-term political goals and programs if necessary. The main task of the prime minister and the government is to evaluate the economic program from a social policy viewpoint, a program the finance minister regards as positive.

[Pogonyi] To what extent is the prime minister able to carry this out today?

[Bihari] Clearly with difficulty. It is interesting that both the congress and the parliamentary group of the Hungarian Socialist Party [MSZP] confirmed the program of the previous finance minister. I have serious doubts, however, that they would have done the same with the Bokros program.

[Pogonyi] In your view, how tense are the relations between Gyula Horn and [Trade Union Chief] Sandor Nagy?

[Bihari] There are serious tensions between the two, but these are not personal tensions. There are political-ideological differences between the two. It seems that, compared with the Bekesi program, the liberal economic policy became considerably stronger in the Bokros program. On quite a number of points, this requires the correction of the program of the government and of the MSZP. These are the roots of the controversy between Gyula Horn and Sandor Nagy. To put it more broadly: The tension between these people originates from the controversy between the radically liberal economic policy and the social-democratic ideology and policy. Personal conflicts are only secondary.

[Pogonyi] Can we say that some kind of an internal opposition is emerging within the MSZP group in Parliament? I mean here Mrs. Istvan Szollosi, Judit Csehak, Ivan Vitanyi, Matyas Szuros, and Sandor Nagy.

[Bihari] I do not regard this as a united opposition, because various members have different solutions for certain issues. The problem is that this is not yet quite clear. One mostly hears grumbling and dissatisfaction only. The reason for this is that there are almost 150 individual deputies among the 209 members of the MSZP group in Parliament. These individual deputies must explain the voters what the MSZP promised and took upon itself.

[Pogonyi] Are the opinions exaggerated according to which the original MSZP program and the current government's program do not even meet?

[Bihari] Some measures of the government are distancing from the MSZP program. However, this is natural, because a social-democratic party forme[d] coalition with a liberal party. We must accept tha[t]

[Pogonyi] A year ago, you were not yet a real [p]arter of this coalition. It seems that you have chan[g]ed your opinion....

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Bihari] I supported the coalition, but not this type of coalition. I believe in a coalition based on proportional representation in Parliament, and not only in numbers, but also regarding the content of the government program. According to the election results, the MSZP received the mandate to govern with a social-democratic program. This is where a shift took place in the direction of liberal dominance. So, I did not oppose the coalition of the two parties; instead, I opposed the dominance of liberal principles in the economic and cultural spheres. However, some MSZP leaders wanted to form a coalition by all means and, therefore, the bargaining position of the MSZP decreased considerably. The other mistake was that no MSZP legal experts participated in the coalition talks. This led to Gyula Horn having to fight to preserve his authority as prime minister at the beginning.

[Pogonyi] Some people say that Gyula Horn can thank the SZDSZ [Alliance of Free Democrats] for strengthening his center position....

[Bihari] Gyula Horn is in a strong power position. Among other things, this is so because, despite the increasing debates and tangible conflicts, his position is unchanged within the MSZP. There is no one capable of contesting him in the MSZP group in Parliament. On the other hand, in the meantime, the SZDSZ realized that Gyula Horn accepts the liberal-dominated economic program. The SZDSZ has no reason to withdraw its support in Gyula Horn. The SZDSZ also acknowledged the fact that they cannot name the prime minister among the MSZP members. After all, the confidence of the SZDSZ only strengthens Gyula Horn's position.

[Pogonyi] Speaking about confidence, do the voters still have any confidence in the Horn government? Is there any dialogue between the government and the people, a dialogue mentioned so much in the election campaign?

[Bihari] There is definitely a dialogue going on with the deputies. They convey the opinions of the population to the government through the parliamentary group. Of course, this is not always a quick supply. The government is in conflict with many strata of our society. The problem is that all this is useless. Many intellectuals supported the MSZP. With its latest anti-intelligentsia measures, the MSZP has now come into a strong conflict with the intellectuals who voted for this party and who shape public opinion. It will be difficult to convince these people that the government continues to count on their votes and their critical observations.

[Pogonyi] How much does Lajos Bokors's style contribute to this dialogue? Some people say that Lajos Bokros should display less arrogance and more modesty.

[Bihari] We cannot question the legality of Lajos Bokros's severance pay. This payment was made according to the contract. If we questioned the legality of this action, he would not be allowed to stay in his position. Nor did Lajos Bokros commit any moral mistake; moreover, he will use the money for charity. However, his statements lack political wisdom, because they question the public's right to have doubts. Lajos Bokros must accept the fact that, in politics, belief in innocence is not enough. The politician himself must prove his innocence. A politician must give reasons. I continue to highly appreciate Lajos Bokros as a person, professionally, and morally too. His affair is not only a personal affair, because it also effects the entire government, the two coalition parties, and the evaluation of politicians in general.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Arms Embargo 'Only Resolution Being Observed'

AU2606193795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 26 Jun 95

[Report on news conference by Prime Minister Haris Silajdzic by Jesenko Krehic in Sarajevo on 26 June—recorded]

[FBIS Translated Text] [Krehic] Addressing the correspondents, Prime Minister Silajdzic first warned that genocide is still going on in Bosnia-Herzegovina. The genocide itself is undisputed, it has been proved. In The Hague, they are not asking themselves whether genocide is taking place, they are asking who is committing it. It is common knowledge that everything that has appalled the world was committed by the aggressor in Bosnia-Herzegovina, the Serbian aggressor. The countries that make up the United Nations have done nothing, Prime Minister Silajdzic said.

[Silajdzic] Member countries, signatories of the Geneva Convention on Genocide, did nothing to stop the genocide; on the contrary, they have made us equal partners, that is, they are calling us warring factions in Bosnia-Herzegovina. This is the first fact; genocide exists, that is no longer an issue. The problem now is who has committed it. The second fact is that the United Nations has not permitted us to defend ourselves from the genocide, and it has most certainly made no attempt to defend us. Therefore, these are two facts. The third fact is that lately in Bosnia-Herzegovina there have been attempts to annul everything that the United Nations has accomplished so far, beginning with the no-fly zone, the exclusion zone, to the protected areas; therefore, everything is gradually disappearing, everything, that is, but the arms embargo.

[Krehic] Dr. Silajdzic accused the United Nations of maintaining the status quo with its reluctance to lift the embargo. It is scandalous to claim that it is not giving us arms so as to prevent the war from spreading, the Bosnia-Herzegovina prime minister said. He also stressed the fact that the arms embargo for our government is the only resolution being observed, for which the United Nations is also largely to blame. On the other hand, there is increasing talk of some new peace plan. The correspondents also showed an interest in this.

[Silajdzic] I have said, and this is my opinion, that they should not come to us with any changes to the plan. Our assembly, with great difficulty and making a great sacrifice, accepted the existing plan, a plan that is not our plan but the international community's. If the Contact Group is incapable of implementing it, they should not come to us for any improvements.

[Krehic] Finally, something that is unavoidable on the day marking the United Nation's 50th anniversary. Prime Minister Silajdzic spoke about what the United Nations actually constitutes at this point.

[Silajdzic] The United Nations has now turned into an organization that, instead of protecting the weaker side [words indistinct] that is the United Nations' main function, is doing the opposite. It has turned into a club of potentates that is protecting its privileges. In my opinion, this will lead to an increasing rift between the poor and the privileged, the north and south, east and west—whichever way you like it—and will lead to a new catastrophe.

Sacirbegovic: We Will Fight Until Peace Achieved

AU2606163195 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 26 Jun 95

[Report on news conference by Foreign Minister Muhamed Sacirbegovic by Senada Cumurovic in Sarajevo on 26 June—recorded]

[FBIS Translated Text] [Cumurovic] [Foreign] Minister Sacirbegovic, who, incidentally, arrived in Sarajevo last week, began his address to the press by commenting on the marking of United Nations Day, the day the international organization was founded 50 years ago in San Francisco and whose principles are today being tested in Bosnia.

[Sacirbegovic] The combination of idealism and reality is now at work in Sarajevo. Idealism is what we are still maintaining in our hearts, our heads, and with our guns; the principles we are fighting for here. The reality is that we are dying here because of fascism.

[Cumurovic] Assessing the coming period in terms of political moves, Minister Sacirbegovic said that our diplomatic moves are coordinated with the situation on the ground; he stressed that it was essential that the international community [word indistinct] what it has agreed on and signed. [words indistinct]

[Sacirbegovic] I do not wish to lightly say that we are going to fight until we win; we are going to fight until peace is achieved; we should give negotiations a chance so that a stable peace is achieved, but we should not live under the illusion that negotiations will alleviate our situation here in the city and on the fronts if there is no substance in them. We can see that [words indistinct] this substance is missing from the United Nations, from the negotiations. (?We should try to see that some substance follows).

[Cumurovic] It is Sacirbegovic's view that we currently cannot expect new political initiatives since the Contact

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Group and other factors of international decisionmaking are waiting to see what is going to happen on the ground in Bosnia-Herzegovina. Sacirbegovic also answered the question pertaining to the arms embargo.

[Sacirbegovic] I believe that now more than ever the issue of the arms embargo, the lifting of the arms embargo, should be seen as a very realistic situation. I believe that the possibility is really here, not 100 percent certain, but nevertheless possible, and that certain, not only legitimate and principled, but also financial reasons are behind this. I believe that everything will be a lot clearer in two weeks.

[Cumurovic] The issue [word indistinct] against Serbia, which was also addressed at this brief news conference, has a symbolic significance as well, Sacirbegovic said, and linked the sanctions to the situation on the border with Serbia and with the topic of mutual recognition.

[Sacirbegovic] We wish to say that we do not think that it is important whether this is near or distant; what is important is that he [Milosevic] really recognizes Bosnia-Herzegovina as a state within its borders, a sovereign state, and we believe with certainty that this is a very favorable move for peace, something that Milosevic should do in order to diminish the consequences of the Serbian and Montenegrin aggression against Bosnia-Herzegovina.

[Cumurovic] As far as Bosnia is concerned, we are ready for mutual recognition, Muhamed Sacirbegovic said on the occasion of his first meeting with the press as foreign minister.

Filipovic: No Peace Without FRY Recognition

AU2606164995 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 26 Jun 95

[FBIS Translated Text] The Liberal Bosniak Organization [LBO] have held a press conference today. The issue of Bosnia-Herzegovina's constitutional organization, the functioning of the multiparty system and the state's democratic institutions, and the need to achieve maximal political unity are the essential reasons that guided the LBO when it launched an initiative to hold a political conference on Bosnia-Herzegovina.

Explaining the reasons for organizing the conference, LBO President Muhamed Filipovic stressed that it must be clarified what constitutional and legal organization is effective in Bosnia-Herzegovina.

Filipovic addressed the latest conditions that Milosevic is setting the international community in return for the recognition of Bosnia-Herzegovina and stressed that this was a logical consequence of U.S. involvement and simply the raising of the price of one's own policy. There will be no peace or peace process in Bosnia-Herzegovina without recognition by the self-proclaimed Yugoslavia [Federal Republic of Yugoslavia—FRY].

UBHSD: Pressure Serbia To Recognize Bosnia

AU2606170095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 26 Jun 95

[FBIS Translated Text] Prompted by the revival of the issue of the mutual recognition of the states created after the disintegration of the former Yugoslavia, Sejfudin Tokic, vice president of the Union of Bosnia-Herzegovina Social Democrats [UBHSD], on behalf of the party made the following statement for the public.

The UBHSD leadership believes that the international community should increase pressure on the Serbian Government to recognize Bosnia-Herzegovina. This move would constitute a clear message to the Bosnian Serbs that they can only look for a resolution of their status within the framework of the internationally recognized Republic of Bosnia-Herzegovina.

At the same time, it is essential that our state leadership should define [words indistinct] ready to recognize the self-proclaimed Yugoslavia. We insist that this (?move) should define the international community's obligation and that of Milosevic's regime to extradite to the international war crimes tribunal or Bosnia-Herzegovina's judiciary all perpetrators of war crimes committed on the territory of Bosnia-Herzegovina who are currently residing in the self-proclaimed Yugoslavia. It should also see to it that constitutional solutions are found that will secure the equality of Bosniak Muslims and that an appropriate constitutional and legal status be granted to the region of Sandzak within the territorial organization of the self-proclaimed Yugoslavia. Moreover, it should secure the unhindered conclusion of the process of succession of the former Yugoslavia under international arbitration and preclude the right of any of the newly created states to economic and legal continuity with the former Yugoslavia, reads the statement issued by UBHSD Vice President Sejfudin Tokic on behalf of the party.

Karadzic Warns Germans About Military Interference

LD2706081595 Belgrade SRNA in Serbo-Croatian 0243 GMT 27 Jun 95

[FBIS Translated Text] Sarajevo, 27 Jun (SRNA)—Germany's decision to send troops into former Yugoslavia is very unfortunate and our opinion is that the international community should stop Germany from interfering militarily in the Balkans, Serb Republic Pres-

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

ident Radovan Karadzic told SRNA and AP reporters last night.

President Karadzic said that the Serb people still remember the crimes they suffered at the hands of the Germans in the past, particularly in World War II.

Karadzic warned that the deployment of Rapid Reaction Forces could lead to incidents, and said: "If they do not attack us, however, we will not interfere with them."

Commenting on the latest Muslim offensive on the Sarajevo front, President Karadzic confirmed that it has failed and that the Serb Republic army "has anulled some initial Muslim successes in the mountainous areas around the town."

"We defended all important areas and the urban areas of Serb Sarajevo, inflicting large losses on the Muslims. This is sad, but the Muslim leadership is responsible for it," Karadzic said.

According to him, the complete defeat of the Muslims has never been the Serb goal. "We just wanted to defend our territory. If the Muslims are against a political solution, however, and want a military resolution, then this leads to an escalation of the war," Karadzic said.

He recalled that the Serb Republic leadership supports the setting up of two variable states in the territory of former Bosnia-Herzegovina and warned the international community's mediators that all warring sides must be equally treated in the negotiations. "The international community's approach to the crisis in former Bosnia-Herzegovina must be changed. The situation on the ground must be taken into account and all parties to the conflict should be treated equally. Those who want to mediate must visit Pale, Sarajevo, and Mostar, all of them," President Karadzic said in conclusion.

Krajisnik Rejects 'Confederal Ties' to FRY

AU2606180095 Belgrade NASA BORBA in Serbo-Croatian 24-25 Jun 95 p 3

[Report by FONET: "Krajisnik: Why Would We Now Agree To Lose the State?"]

[FBIS Translated Text] Pale—Commenting on the report that former Yeltsin envoy Vitaliy Churkin offered to the RS [Serb Republic] leadership during his recent visit to Pale on the possibility of confederal ties with Yugoslavia [Federal Republic of Yugoslavia—FRY] in exchange for giving up some territories, RS Assembly Chairman Momcilo Krajisnik said that in the event that the Serbs accept a confederation with Yugoslavia, which, according to him, "no one has the right to do," this would be a major concession to the Muslims and Croats.

"Why would we now agree to lose the state and accept a union; why would we agree to confederal ties with Yugoslavia and establish closer ties with the Muslims and Croats?" Krajisnik asked.

We can accept all that as a sign of goodwill and letting up, Krajisnik said, concluding that confederal ties with Serbia would represent "in fact a major concession from the Serb Republic and not to the Serb Republic."

Serb Official Confirms Churkin Proposal

AU2606193595 Belgrade NASA BORBA in Serbo-Croatian 24-25 Jun 95 p 3

[BETA report: "Koljevic: Churkin Has Offered Confederal Ties to FRY"]

[FBIS Translated Text] Belgrade, Podgorica—Nikola Koljevic, vice president of the Serb Republic [Serb-held entity in Bosnia-Hercegovina], told Montenegrin radio yesterday details of the proposal brought by the Russian envoy. He confirmed that Churkin is striving for an acceptance of the plan on the division of Bosnia according to the 51:49-percent principle in favor of the Muslim-Croat Federation and that he had offered the "right to confederal ties with Yugoslavia. I cannot deny this information, which is supposed to remain secret, but I cannot add anything more to it. Therefore, it is quite correct. Perhaps the most interesting thing is that, despite our total isolation, an increasing number of foreign representatives are now coming to Pale wanting to talk to us," Koljevic said. "I think that we have never had more chances to agree on the division of Bosnia and to realize the interests of the Serb people than now," he stressed.

A top official whom BETA contacted by telephone yesterday said that "Churkin came with the authorization of the Russian side and sought possibilities for restarting the negotiating process," while "avoiding the signing of maps." He confirmed that the Russian envoy had conveyed the view on "certain changes" in the Russian stance toward the Serbs, but said that relations remained "far from brotherly."

Serbs Threaten To Regard RRF as 'Enemy'

AU2706092295 Vienna Oesterreich Eins Radio Network in German 0500 GMT 27 Jun 95

[Report by Karl Jekowski and Fritz Pesata on "news conference by the Bosnian Serb military leadership near Srebrenica"; date not given—including recorded statement by Lieutenant Colonel Milutinovic, head of

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the Bosnian Serb Army Information Service, in Serbo-Croatian with superimposed German translation]

[FBIS Translated Text] Never before in the three-year-old war have the Bosnian Serbs been under such strong military pressure from the Muslims and Croats as in the past few weeks and days. This could be gathered from the news conference by the Bosnian Serb military leadership near Srebrenica. They chose the neighborhood of Srebrenica because Muslim fighters from Srebrenica attacked the little village of Visnjica, blew up six houses, and returned to Srebrenica. Thus, they broke through the Serbian siege. One Serbian soldier was killed and one woman was severely injured in the Muslim military operation on Serb territory.

Hostilities are currently reported from all front lines. Yet, the press officer of the Bosnian Serb military leadership, Lieutenant Colonel Milutinovic, says that it has been possible to stop the Muslim offensive:

[Begin recording] I must say the Muslim offensive is not over. We expect them to continue this offensive in the next few days. The Muslims are pinning great hopes on the Rapid Reaction Force [RRF]. We regard this Rapid Reaction Force as part of the UN Protection Force [UNPROFOR]. Yet, if it were to act as one-sidedly as UNPROFOR, then we will regard it as an enemy. [end recording]

Milotinovic adds that, currently, 12,000 soldiers from Croatia—from Split, Sinj, and Varazdin—are fighting in Bosnia. According to the Serbs, these forces have, among other things, 50 tanks and 18 missile batteries. All that is being tolerated by the United Nations and the international community of states. The Serb press officer complains that the United Nations was acting one-sidely, favoring the Muslims.

Bosnian Serbs Claim Muslims Massacred Elderly

LD2606153895 Belgrade SRNA in Serbo-Croatian 1404 GMT 26 Jun 95

[FBIS Translated Excerpt] Sarajevo, 26 Jun (SRNA)—The press center of the [Bosnian] Serb Republic army's main headquarters stresses in its statement today that Serb fighters are mounting heroic resistance to all Muslim attempts to break through Serb defense lines on the Sarajevo battlefield. [passage omitted]

The Serb Republic army's main headquarters says that at about 0400 this morning Muslim units from Srebrenica passed by UNPROFOR [UN Protection Force] members deployed around the city and attacked and burned down the Serb village of Visnjica on the border of the enclave. According to first reports, the Muslim soldiers killed several elderly residents of that Serb village.

"Following their bloody feast and the appearance on the scene of the Serb Republic army's forces, several attackers met with deserved punishment but some of the butchers escaped toward Srebrenica and the Muslim training grounds which the peace forces are still treating as a demilitarized zone," the statement says. [passage omitted]

SDS Appeals to Citizens To Help Defend State

LD2606201495 Belgrade SRNA in Serbo-Croatian 1723 GMT 26 Jun 95

[FBIS Translated Excerpt] Sarajevo, 26 Jun (SRNA)—A session of the executive committee of the Serb Democratic Party of Serb Lands [SDS] was held in Pale today. The SDS discussed a forthcoming party assembly, the current political and military situation in the Bosnian Serb Republic, and party branches activities.

The executive committee drew up conclusions based on a report by SDS Chairman Radovan Karadzic's report that the Muslim offensive on Serb Sarajevo was crushed and that the military and political situation in the Bosnian Serb Republic is good.

The executive committee issued an appeal to all citizens of the Bosnian Serb Republic, wherever they are, to join in the defense of the state.

A statement for the public, which the SDS executive committee forwarded to SRNA after the session, says that the party assembly will be held on 10 July. [passage omitted]

Mladic: Serbs Will Achieve Just Goals

LD2606180195 Belgrade SRNA in Serbo-Croatian 1455 GMT 26 Jun 95

[FBIS Translated Text] Sarajevo, 26 Jun (SRNA)—Lieutenant General Ratko Mladic, the chief of General Staff of the Army of the Serb Republic, sent a message of congratulations to the Serb soldiers, people, the Orthodox priests, and republican bodies of authority on the occasion of the great spiritual and state holiday, St. Vitus Day [28 June].

"For the fourth year running, our army is celebrating its patron saint day, St. Vitus Day, under conditions of war by preserving ancient Serb customs and reviving memories of glorious moments from our past. We are realizing St. Vitus's teachings in the defensive war, the war of liberation, in the struggle for national and spiritual freedom, the right to life and existence, to honor

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

and human dignity," the message of congratulations by the Serb army chief of the General Staff says, and adds:

"The Serb people and its army, by fighting heroically and bravely as the best sons of our nation did in the past, is resisting successfully an onslaught of the Ustasha ideology and militant Islam, backed and assisted by their foreign mentors, the creators of the new world order."

Having stressed that the Serb army has achieved great and significant results in that struggle, Commander Mladic paid due respect to the army and everyone who died in the struggle.

"'The enemies of the Serb people have recently launched fresh and large-scale offensives on our positions and territories. Our army, aware of its historical responsibility and determined to end this war with a victory and in a just peace, has displayed the highest degree of patriotism in the course of the war so far.

"For the sake of this, we must place everything in the service of the struggle during the upcoming period, so that we can defend resolutely and conclusively all our achievements and so that, through military efficiency, moral fiber, harmony, and unity, we can persevere in the realization of just goals of the Serb people.

"All the best on your patron saint day, and I hope that we can celebrate the next St. Vitus Day in peace, freedom, and in a single Serbian state," the message of congratulations, that Serb army chief of General Staff press center forwarded to SRNA, concludes.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Former RSK Prime Minister Urges Elections

LD2606170895 Belgrade TANJUG Domestic Service in Serbo-Croatian 1536 GMT 26 Jun 95

[FBIS Translated Text] Belgrade, 26 Jun (TANJUG)—Borislav Mikelic, the former prime minister of the Republic of Serb Krajina [RSK], said today that his view that the unification of the Serb Republic and the Republic of Serb Krajina was premature were fully vindicated.

Mikelic has dispatched the following statement to TANJUG:

The period of the past month and half, in the wake of the session of the RSK parliament at which the hasty decision was made to enter a union with the Serb Republic as a matter of urgency, and where my unconstitutional dismissal took place at the initiative of the Serbian Democratic Party of Krajina, because I had explained the reasons why the time was not right for an immediate union with the Serb Republic, and that such a step could not be taken without an agreement with the Federal Republic of Yugoslavia—it has transpired that this was really a deal between two political profiteers from Knin made in agreement with the leadership from Pale and Vojislav Seselj.

As we can witness today, the unification did not take place on 31 May. Nor will it take place, I believe, in the coming months, something that indicates that my statement was fully justified and shows the soundness of the reasons I presented by arguing that unification was premature. Apart from this, two sessions of the RSK Assembly later there are no conclusions yet on responsibility for the fall of western Slavonia and the ordeal of the Serb people in this area. There is no interest either in the fate of the refugees. I note that about 8,000 refugees have found accommodation in the area of eastern Slavonia and another 2,000 in the Federal Republic of Yugoslavia. About 2,000 Serbs remain in western Slavonia, but they want to flee, too.

However, Martic and Babic demonstrated their full efficiency in toppling me, and, thereby, they have also toppled the government and created further internal rifts and instability in the RSK.

In forming the new government as a political deal between Martic and Babic the main aim was to decide who of the two was going to have primacy in the main departments such as internal affairs, defense, finance, and fuel and electricity.

In addition to the RSK president, the speaker of the assembly, the prime minister-designate, and the governor of the National Bank, who all hail from Knin, now the same place has to provide ministers of internal affairs, defense, and finance—so they can all stay in Knin regardless of whether or not this suits other parts of Krajina.

This is why I believe that new elections, presidential and parliamentary—apart from General Mile Mrksic, the newly elected commander of the RSK Army—are the only way out.

After all, there are no longer 13 deputies from western Slavonia, there is, of course, no longer this territory either. Some other things relating to the future of the Serb people must be worked out and endorsed as a platform with a future.

Opposition Parties Criticize Tudjman Activities

LD2606180695 Belgrade TANJUG in English 1643 GMT 26 Jun 95

[FBIS Transcribed Text] Zagreb, June 26 (TANJUG)—Croatian opposition parties have strongly criticized President Franjo Tudjman for having organized meetings of his ruling Croatian Democratic Union party during his visit to Australia and New Zealand and for glorifying his own party and degrading the opposition.

Drazen Budisa, president of the country's strongest opposition party, the Croatian Social Liberal Party, described as unprecedented Tudjman's campaigning for his own party at the expense of the state during his visits to Australia and New Zealand in the capacity of Croatian president.

Commenting on Tudjman's plan to set up a ministry of immigration, Budisa said that it was aimed to "cover up the fact that tens of thousands of people had left Croatia in the past several years in the biggest wave of emigration in the past 30 years."

President of the Dalmatian Action Party Mira Ljubic Lorger said that Tudjman was misusing state funds for propaganda of his party abroad.

The Croatian National Party said in a statement that it disapproved of Tudjman's conduct during his visit to Australia and New Zealand because he had acted more as president of his party than as Croatian president.

The party criticized Tudjman for treating the Croatian emigration as a reserve class of his own party.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Goran Hadzic's Role in RSK Examined

95BA0269E Ljubljana DELO in Slovene 3 Jun 95 p 23

[Article by Peter Potocnik: "To Whom Does Former RSK Leader Goran Hadzic Belong?"]

[FBIS Translated Text] *During independence, the Croatian secret service was being put on its feet, and later Serbian rebels could have been collaborators with it.*

From our correspondent.

Zagreb, 2 Jun—The schism in the Krajina political leadership is promoting a military solution of the Croatian-Serbian dispute. Goran Hadzic is running the so-called Serbian autonomous region of Slavonia, Baranja, and Western Srem from Novi Sad, displaced Prime Minister Borislav Mikelic has withdrawn to Belgrade, and authority has passed almost entirely into the hands of Knin hawk Milan Martic, with whom Zagreb somehow cannot find (and is perhaps not even seeking) opportunities for renewing a dialogue.

When Milan Martic, with Milosevic's assistance, replaced Goran Hadzic, the latter was presented in several colors to the public here. All the primary colors were used to portray the former Vukovar warehouseman who went into politics after the serious Serbian blunder, which should be particularly felt by the Croatian negotiators who negotiated with him in the peaceful settlement of the Croatian-Serbian dispute. Like every leader of the Knin clique, Hadzic was also often compared to the most prominent hawks in Serbian politics, and only the name of the removed Knin prime minister, Borislav Mikelic, was recorded on the list of the more moderate ones; until the end, however, Mikelic remained the executor of Milosevic's policy in the Krajina.

Because it was recently learned that Goran Hadzic, former prime minister of the Knin pseudostate, was some sort of secret agent of the Croatian police at the outbreak of the Knin Serbs' armed uprising, as then Croatian Interior Minister Josip Boljkovac hinted in a certain conversation, it is still not completely clear today who Hadzic belongs to, and above all on whose behalf he is now opposing Milan Martic and Dr. Radovan Karadzic in their unification of all the Serbian lands, because he is trying to unite Baranja, the occupied part of eastern Slavonia, and Western Srem with Vojvodina, and the Federal Republic of Yugoslavia, naturally bypassing Knin and Pale. Was he a double agent or "agent" who provided one side or the other (probably the Croatian side) with false information, and after the bloody events at Plitvice on 31 March 1991, when the Croatian police arrested him and released him after a few days, did he attempt as a "reward" to try to erase the traces of his activity in support of the Croatian state? Two weeks before his arrest, in fact, Goran Hadzic, with a delegation of Slavonian Serbs, visited Zagreb, and in the Ban Courts, swore allegiance to Tudjman, and stated at a news conference that the Slavonian Serbs knew quite well where the seat of power was in Croatia, and that they did not have anything in common with Milosevic's policy.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Walesa Meets President Clinton, Jewish Committee

LD2606220295 Warsaw Third Program Radio Network in Polish 2100 GMT 26 Jun 95

[FBIS Translated Text] The meeting between President Lech Walesa and President Bill Clinton in San Francisco lasted almost 40 minutes.

After the meeting,. President Lech Walesa told journalists that President Clinton thanked him for his statement concerning Father Henryk Jankowski's remarks. I told President Clinton that I cannot respond to remarks made by every rabbi, every priest, Walesa told journalists. We discussed decisions concerning NATO and the EU. In response to the question about Polish arms trade with countries supporting terrorism, President Lech Walesa said we have the factories we have and that we have to change their profile and this is what I was telling Bill Clinton. Yesterday we all learned that 75 percent of U.S. arms sales go to countries supporting terrorism.

After the meeting with Bill Clinton, Walesa met the Jewish organization American Jewish Committee. We heard grievances that it took the president so long to respond to Father Jankowski's remarks. One of the representatives said: Mr. President, Polish-Jewish relations had been improving. We supported Poland in the time of Solidarity; we gave you money. We are astonished at your nine days' silence with regard to Father Jankowski.

Whatever happened next we do not know because we were asked to leave the meeting.

Zielinski To Submit Presidential Candidacy in Jul

WS2706092595 Warsaw RZECZPOSPOLITA in Polish 27 Jun 95 p 2

[Report by "D.P.": "Professor Zielinski Will Submit His Candidacy in July"]

[FBIS Translated Text] During a rally at the Economic Academy in Katowice on 7 July, Professor Tadeusz Zielinski will officially submit his candidacy for this fall's presidential election, the television newscast "Panorama" has learned. Tadeusz Zielinski's campaign staff held a meeting yesterday. Its chief, Andrzej Micewski, said that talks are already being held with a scholar who will become chairman of the committee.

Poll Shows Continuing Support for SLD

WS2606125895 Warsaw TRYBUNA in Polish 24-25 Jun 95 p 2

[Untitled report by "L."]

[FBIS Translated Text]

Electoral Preferences, Jun 95

Party	Support (in Percent)
Democratic Left Alliance [SLD]	21
Polish Peasant Party [PSL]	13
Solidarity ["S"]	13
Freedom Union [UW]	11
Union of Labor [UP]	10
Covenant for Poland [PdP]	6
Non-Party Bloc in Support of Reforms [BBWR]	5

This poll was conducted by the Public Opinion Research Center, CBOS. The most recent poll conducted by CBOS indicates that SLD supporters are still the largest group of voters (21 percent). The electorates of other parties are far less numerous: the PSL 13 percent, the Independent Self-Governing Trade Union "S" 13 percent, UW 11 percent, and UP 10 percent.

Remaining groupings are supported by less than 10 percent of voters: the PdP by 6 percent, the BBWR by 5 percent, the Confederation for an Independent Poland by 4 percent, 11 November Accord by 3 percent, and the Secretariat of Center Right Groupings by 2 percent.

Support for the idea of dissolving parliament after the presidential election is rather small. Nearly half of all

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Poles (48 percent) believe that the new president should not dissolve parliament; the opposite view is voiced by one in three respondents (34 percent).

The research was carried out on a representative random sample of adult inhabitants of Poland between 8 and 12 June of this year.

SLD: Partners Have Right to Separate Identity

LD2606142595 Warsaw Polskie Radio First Program Network in Polish 1005 GMT 26 Jun 95

[FBIS Translated Excerpt] Zbigniew Siemiatkowski, spokesman for the parliamentary floor group of the Democratic Left Alliance [SLD], confirmed that his group tried to influence the Polish Peasant Party [PSL] regarding a change in the chairmanship of Polish Television. Speaking on Polish radio, Zbigniew Siemiatkowski said that television chairman Wieslaw Walendziak had a bad influence on its functioning:

[Begin Siemiatkowski recording] From the beginning, when we concluded an agreement with the PSL, it was known that the SLD, on issues of world outlook, church-state relations, and the Concordat, would retain its separate character, its own identity, and that our coalition partner also had the right to its own identity and separateness. [passage omitted] [end recording]

Zbigniew Siemiatkowski also said that the issue of the attitude of the PSL and the SLD to ratification of the Concordat is not regulated by the coalition agreement. During a rally in Rzeszow yesterday to mark the centenary of the peasant movement, PSL Chairman Waldemar Pawlak accused the SLD of discrediting its coalition partner and not taking its views into account, including on the Concordat. [passage omitted]

Majority Says Things Worsened Under PSL-SLD

WS2706103495 Warsaw RZECZPOSPOLITA in Polish 27 Jun 95 p 2

[Article by D.P.: "OBOP: Under PSL-SLD Government Situation in the Country Worsened"]

[FBIS Translated Text] According to 52 percent of Poles, since the time the coalition of the Democratic Left Alliance [SLD] and the Polish Peasant Party [PSL] came to power, things have gotten worse in our country; 28 percent express the opposite opinion, and one in five respondents does not have an opinion. Does the fact that this coalition is in power mean that people who had power before 1989 have retrieved it? The public is divided over this issue. According to 42 percent of the respondents, those people have retrieved power, and 40 percent are of the opposite opinion. Over the past three months, the percentage of supporters of this view has risen slightly. Half of Poles believe that Jozef Oleksy is performing his duties as prime minister well. One-fourth of the respondents are of the opposite opinion, and just as many do not have any opinion on this. The economic program of the government is positively evaluated by 39 percent of the respondents; 29 percent are critical of it, and 32 percent do not have an opinion. Poles' opinions on the president have remained the same for some time now. In June of this year, 70 percent of the respondents said that Lech Walesa is not performing his duties well enough, 22 percent evaluated his work positively, and 8 percent did not have an opinion on this subject.

* * *

The poll was conducted by the Center for Research on Public Opinion between 10 and 13 June on a 1,100-person sample of the country's inhabitants over age 16.

Cabinet's Ratings Rise, Prime Minister's Decline

WS2606133795 Warsaw ZYCIE WARSZAWY in Polish 25 Jun 95 p 4

[Report by NIKA: "OBOP; Trust of Institutions; Support for Prime Minister Wanes, While That for Government Rises"]

[FBIS Translated Text] Between April and June, the Center for Research on Public Opinion [OBOP] noted a rapid increase in the trust toward Solidarity— from 33 percent to 46 percent. Rising support for the government was accompanied by a falling in backing for the prime minister. Results of research carried out by OBOP indicates that currently the ratings of both are almost identical.

In June, Poles trusted the following most: public radio (81 percent), the civil rights spkesman (79 percent), and the Armed Forces (79 percent). Among the leaders was also public television (75 percent) and the police (72 percent).

The All-Polish Trade Unions Agreement and the president are the least popular (both 31 percent), although it should be noted that they are more popular now than they were two months ago. Our trust toward the Sejm (46 percent) and the Senate (47 percent) is almost identical; both establishments now have more supporters than previously.

The only figure who became less popular over the period in question is the prime minister. He lost 7 percent of his supporters and now enjoys the trust of 53 percent of the respondents. At the same time, support for the government he heads increased (from 46 percent to 51 percent). Thus, their ratings are almost identical now,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

the first time this has been noted in the history of this Cabinet.

The OBOP poll was conducted between 10 and 13 June on a representative 1,100-person random sample of Poles.

Oleksy Seeks Role in EU Before Full Membership

LD2606163195 Warsaw Polskie Radio First Program Network in Polish 1400 GMT 26 Jun 95

[FBIS Translated Text] Prime Minister Oleksy thinks Poland can make a contribution to the problem-solving process of the European Community already before becoming a full member of the Union. The head of government will present this position at a gala luncheon in Cannes tomorrow, to which the prime ministers of the states seeking European Union [EU] membership have been invited.

[Begin Oleksy recording] In an address I intend to deliver there and in the text of my speech written in the official languages, which will be made widely available, I will put strong emphasis on the active role of the associated countries during the process of acquiring membership. We should not have a situation in which the EU, in its present membership, should decide on all issues that some time soon will also concern the countries that today have only associated status.

We, the associated countries, want to have a voice today with regard to the internal structure, transformations, and mechanisms within the Union, as well as to political dialogue and external relations—that is, the foreign policy of the Union as a whole.

From Cannes, I will go to Paris for my first working meeting with the new French Prime Minister, Mr. Juppe. [end recording]

[Unidentified reporter] Do you know each other?

[Oleksy] Yes, we met earlier and I was pleased when Mr. Juppe became prime minister. We are both equally bald, although he is a lot slimmer. We will have a longish conversation on Polish-French relations and on what we, Poland, expect from the French leadership of the Union. At the moment, France is leading the EU, and that is why French President Jacques Chirac is the organizer of the Cannes summit. [end recording]

Help for Poles Seeking Compensation From Germans

LD2606204695 Warsaw TVP Television First Program Network in Polish 1730 GMT 26 Jun 95

[Relayed by Warsaw TV Polonia; passages contained with quotation marks recorded]

[FBIS Translated Excerpt] The Ministry of Foreign Affairs [MSZ] has protested against the poor treatment of Polish citizens by the German border guards and demanded explanations from the German authorities. Two days ago about 300 Poles were detained in Frankfurt an der Oder. They wanted to take up illegal work in Germany. They are now accusing the German authorities of the use of force. The German authorities have denied it.

[Correspondent Sieradzka] The MSZ has today summoned the German ambassador to present him with the protest note.

[MSZ Spokesman Krzysztof Sliwinski, identified by caption] "Both the Polish public and the Polish Government were astounded when they learned about the incidents that took place in Frankfurt. The detention of such a large group of Polish citizens and, above all, the manner in which they were treated must arouse protest. The position of the MSZ is that the Polish citizens should receive appropriate compensation. Polish services will do their best to help them in pursuing any possible claims."

[Sieradzka] The Poles were detained in a village of Markendorf near Frankfurt an der Oder on Saturday. They arrived there in connection with advertisements put up in Slubice. A Brandenburg company wanted to employ newspaper distributors. They offered high pay—100 German marks per day.

The Poles said that at 0800 they were surrounded by the German police, both uniformed and in plain clothes, accompanied by unmuzzled dogs. People who came to do some shopping, not to find work, were also among those detained. [passage omitted] Twelve people were arrested. They say that the German police were very brutal. [passage omitted] The Prosecutor's Office in Frankfurt has denied that the Poles were treated brutally.

[Petra Marx, Frankfurt prosecutor's office, identified by caption, in German with superimposed Polish translation, speaking on the phone] "The concentrated action by the German officials did not lead to any assault on the Poles. If there were any skirmishes, they were only isolated incidents in which the officers had to defend themselves from the unruly behavior of the Poles, who were gesticulating wildly and obstructing the officers' actions."

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

[Sieradzka] The Frankfurt Prosecutor's Office has stressed that the Poles have not filed official complaints about any offenses having been committed. However, the German Prosecutor's Office is conducting an investigation of the owners of the publishing company, who wanted to employ the Poles illegally. One of the owners has escaped and is in hiding.

Expected Budget Revenues From Privatization

WS2706102395 Warsaw GAZETA WYBORCZA in Polish 22 Jun 95 p 16

[Article by Artur Morka: "Privatization; One Cannot Sell More"]

[FBIS Translated Text] *"Next year's budget is to see 1.5 billion zlotys [Z] from the sale of companies, which is as much as this year's budget realized. Still, the number of companies suitable for privatization is decreasing," said Privatization Minister Wieslaw Kaczmarek during a news conference yesterday.*

The total budget income from privatization in 1996 is estimated at Z2.3 billion, about 3.4 percent less than in 1995, excluding inflation. The sum will consist of Z300 million in revenues from liquidations and lease and leasing transactions, Z500 million from the sale of banks, and Z1.5 billion from capital privatization.

The sale of shareholder certificates in the National Investment Funds' program is to bring in Z400 million, of which at least Z300 million is expected next year. "The sale will begin in the fourth quarter of 1995. Therefore, the expected Z100 million in revenues this year can be considered a little daring," said Kaczmarek.

The minister also considers that, when evaluating revenue from privatization, one has to be very careful. There are still 4,400 companies that are suitable for privatization. In more than 3,000 of those companies, capital does not exceed Z5 million. Only in 161 companies is capital estimated at over Z50 million.

The majority of privatization income in 1996 is to come from the sale of the so-called heavy chemicals (nitrogen, sulfur). The privatization of pharmaceutical, nonferrous, and power-engineering companies will also begin. Meanwhile, privatization will be concluded in the fat (factories in Warsaw and Kruszwica), construction, and ball-bearing industries.

It is rather doubtful that the budget will benefit from privatization in the general chemical sector. What had been for sale has already been sold. The transformations in this sector have been finalized with the recent privatization of Pollena Uroda.

The minister did not want to comment on the work of the special Sejm committee working on the draft of the commercialization and privatization act. He did state, however, that work is progressing very slowly (during a period of six days, only 39 of the act's 76 articles were approved).

Asked about the accomplishments of the Public Privatization Program, Kaczmarek stated, "The contributions of shares to the individual funds by companies taking part in the program should begin on 10 July. Also, negotiations concerning the management of the funds' assets should be finalized by the end of June."

IMF Confirms Partial Convertibility of Zloty

LD2606184395 Warsaw TV Polonia Network in Polish 1730 GMT 26 Jun 95

[FBIS Translated Text] Grzegorz Kolodko, deputy prime minister and finance minister, has said that he received confirmation today from the IMF that the Polish zloty is now a convertible currency in current transactions. This means that, for example, Poles will be able to pay in Polish currency for education or health treatment abroad.

NBP's Role in Foreign Exchange Reserves

95EP0137B Warsaw GAZETA BANKOWA in Polish 28 May 95 No 22, p 11

[Article by Bozena Zulawnik: "Operations in the Role of an Omnibus. The Central Bank Cannot Effectively Handle the Increment of Foreign Exchange Reserves and Excess Liquidity of Banks; It Mitigates the Consequences of These Phenomena While Leaving Their Causes Intact"]

[FBIS Translated Text] *For many months now, the NBP [National Bank of Poland] has been persuaded to reduce the interest rate. Supporters of such a decision expect this to facilitate a recovery of economic trends. From the point of view of the central bank, the issue is not that simple.*

A rapid growth of foreign exchange reserves is the phenomenon that has recently influenced the monetary policy of the NBP the most. This phenomenon should be gratifying. After all, the repayment of the foreign debt lies in store for us, and the central bank is a certain source of foreign exchange. Besides, the eventual expansion of the scope of zloty convertibility will also call for ever-growing currency reserves, which the NBP needs to stabilize the exchange rate of the zloty. The only problem is that the central bank has been losing control over the growth of reserves. This is

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

due to the inability of the NBP to take actions that are effective under the current situation.

A Double-Edged Sword

If a large surplus in the balance of trade was the reason for the growth of foreign exchange reserves, the central bank could proceed to considerably revalue the exchange rate of the zloty. (This will certainly come about after the rate of the zloty is floated, but the scale of it will not be large). However, in the environment of relatively high inflation,. such a step would bring about the growth of the current trade deficit because the profitability of exports would deteriorate. In the short term, the increment of foreign exchange proceeds from border trade would be restricted as well. (It is these proceeds that primarily generate the growth of reserves). However, in the longer term, this may turn out unfavorably. In turn, if this were about an intensive inflow of capital to Poland, a reduction in rates would be an effective method of controlling it. However, the extent of this phenomenon is not alarming.

In principle, the NBP has no control over the remaining reasons for a large money supply (which are actually less significant). To be sure, the central bank participates in financing the budget deficit, but it is obligated by law to do so. In turn, the increment of refinancing capital for banks (for central investment projects and the current account) results almost entirely from the capitalization of interest.

So, it has come to the NBP focusing in particular on neutralizing the consequences of reserve growth by taking actions with extreme care to prevent this phenomenon. This is certainly due to the apprehension that the measures taken, while salutary in one area, may prove pernicious in another.

Open market operations are the basic instrument used to restrict the money supply in the banking system. Through such operations, the NBP soaks up excess funds. In this manner, the NBP indirectly affects rates, although it does not always manage to do this effectively.

The problem is that excess liquidity in the banks is continuous and long-term. Reducing it through short-term operations does not produce the desired effect. In general, banks view the placement of funds in the NBP on securities as collateral as a temporary arrangement used, for example, when they do not manage to buy Treasury bonds or when the yield of the latter is unsatisfactory.

Dictated by Whom?

Therefore, market rates adjust much more to bond yields than they do to interest rates set by the NBP. One of the reasons is that the scale of investment in Treasury bonds is far greater than that of open-market operations. For example, last year 273.1 trillion old zlotys were invested in Treasury bonds; 26 trillion were placed through interbank investments, and 10 trillion were absorbed by the NBP within the framework of reverse repurchase operations.

If we take this into account, the following becomes an appropriate question: Who actually determines interest rates? The effectiveness of the NBP has already been called into doubt on a few occasions. For example, early this year the banks began to reduce interest rates on deposits, although the NBP had not made any moves prompting such actions. A decline in the yield of long-term bonds toward the end of 1994 was the obvious reason. The central bank raised the interest rate on refinancing credit in order to stop the decline in the rates. However, this did not result in a continuous increase in rates offered by the banks.

Adjustments in the rate on repurchase operations or interest rates used by the NBP in daylight operations were much more important for the market.

Open-market operations influence the market price of money in two ways: The central bank may set interest rates and thus directly control the market, or it can intervene solely through the volume of operations. However, in the latter case, the central bank should have a good idea of the needs of the banking system.

Each of these arrangements has its own advantages and disadvantages. The central bank has applied a mixed system in order to eliminate the disadvantages as much as possible. As a rule, the central bank reports quotations for daylight transactions only, and then only when it considers it necessary to do so. On occasion, no quotations are released for a few weeks. However, the bank tries to consistently publish communiques after the Coordinating Committee for Open-Market Operations meets. Even if such a communique contains a statement that the scale and interest rates used in transactions will not change in the immediate future, this is valuable information for the banks.

Reasons for Steel Industry Revival Noted

95EP0137A Warsaw RYNKI ZAGRANICZNE in Polish 23 May 95 No 61, p 6

[Interview with Dr. Tadeusz Torz, president of the board of the Industrial-Commercial Steelworks Chamber, by

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Henryk Nykiel; place and date not given: "The Good Times for Steel Are Back"]

[FBIS Translated Text] [Nykiel] As recently as two to three years ago, it appeared that the Polish metallurgical industry was on the brink of death. Consumption of steel products within the country fell from 10 million metric tons in 1990 to 4.4 million metric tons in 1992. And yet iron and steel mills are now going full blast, and many of them are successfully carrying out their restructuring programs. What is the explanation for this favorable trend?

[Torz] First of all, it is an economic recovery within the country and an improvement in worldwide trends. In principle, there is no industry that can function without metallurgical products. The seven richest nations of the world account for almost 50 percent of the worldwide production and consumption of steel products. Our metallurgical plants are going full tilt, to be sure, but we should keep it in mind that, in the past few years, the production capacity of the Polish metallurgical industry has dropped by about 5.5 million metric tons of steel. In 1994, the output grew by 12 percent, to the level of 11 million metric tons. The results of the first quarter indicate that the growth of output will continue this year, too. Almost all metallurgical plants have complete portfolios of orders; it is very hard to place a contract. However, by virtue of this alone we cannot say that all problems of the metallurgical industry have been solved. The enterprises are currently at an early stage in the process of restructuring, which is aimed at becoming competitive in the market after the cancellation of import duties; this is supposed to occur in 1997.

[Nykiel] Does the production situation influence the economic and financial performance of the iron and steel industry enterprises substantially?

[Torz] It definitely does. The volume of sales in the iron and steel industry came to 84.6 trillion old zlotys in 1994, while the cost of generating proceeds amounted to 80.7 trillion zlotys. The sector achieved a positive gross financial balance in the amount of more than 1 trillion zlotys for the first time in several years. The number of metallurgical enterprises that have positive net financial balances has increased definitively. Producers still have tremendous difficulties keeping up the cash flow, which is indicated by an excess of liabilities over assets. The profits generated are also far from adequate to meet investment needs.

[Nykiel] However, many metallurgical plants are carrying out costly restructuring and upgrading undertakings. Where do the funds for this come from?

[Torz] Unlike the metallurgical industries of Western countries, which received major support for restructuring from the governments, Polish metallurgical plants are in principle left to their own devices. Because their own funds are not enough, they are forced to use very expensive bank loans, which reduce the effectiveness of the projects.

[Nykiel] What are the current investment projects about?

[Torz] They are mainly aimed at reducing production costs, improving quality, and protecting the natural environment. In addition to machines for the continuous pouring of steel that have been started up in recent years, eight such projects are being carried out now. This year, four lines for the continuous pouring of steel will be started up at the Katowice, Zawiercie, Stalowa Wola, and Labedy mills.

[Nykiel] The economy is just beginning to pick up steam, but metallurgical plants already have no spare capacity. Perhaps, under the circumstances, we should revise as soon as possible the statements of the Canadian report, which, as we can see, turned out to be inaccurate.

[Torz] The results of the past two years indeed confirm that the calculations in question need to be studied again and adjusted considerably. The mistake in the reasoning of Western experts was found, among other things, in assuming the year 1992 to be the point of departure. Yet, as we know, it was not a year of economic equilibrium.

[Nykiel] Quite apart from the accuracy of its provisions, the Canadian Program adopted by the government has not been carried out to date. The iron and steel plants do what they consider the best and the most urgent without any regard for whether it is in line with avenues set forth in the so-called sectoral study....

[Torz] The government accepted this study as a sectoral strategy. It also designated the metallurgical industry as a key sector of the national economy. However, actions of the government to date affirm neither. For example, unlike other sectors, the metallurgical industry receives no investment concessions or other support. The issue of restructuring the work force is not being resolved.

[Nykiel] It appears that they wish to shift the entire burden of restructuring costs to enterprises....

[Torz] Indeed, one could have gotten such an impression to date. However, the first harbingers are apparent. Last year, three metallurgical plants (Katowice, Sendzimir, and Stalowa Wola) secured government guarantees for investment credit. The absence of a single owner creates a fundamental problem. For some of the metallurgical plants, the Ministry of Industry and Commerce is the

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

parent agency, and for others it is the Ministry of Privatization. The Ministry of Finance also plays the role of owner. The situation will be complicated further after National Investment Funds begin to operate. Therefore, certain hopes may only be attached to the reform of the central economic echelon.

[Nykiel] The current economic recovery and an upturn in steel trends offer an opportunity to our metallurgical plants, but do they also present a danger?

[Torz] This depends to a tremendous degree on decisions made by the management of the enterprises, on whether the latter considers only extemporaneous benefits or takes the longer term into account. The metallurgical plants should use this growth period to resolutely improve the competitiveness of their products.

Poznan's Foreign Trade Achievements Discussed

MM2606135295 Poznan GAZETA POZNANSKA in Polish 6 Jun 95 p 6

[Interview with Dr. Janusz Meissner, director of the Poznan Voivodship Office Regional Development Department, by correspondent Zbigniew Pakula; place and date not given]

[FBIS Translated Text] [Pakula] Mr. Meissner, there are about 105,000 economic ventures registered in Poznan Voivodship. A decided majority of these is involved in foreign trade turnover. What is the scale of this turnover, and who is our biggest trading partner?

[Meissner] For our voivodship, this turnover stands as follows: in exports, $481 million (or more than 670 million German marks [DM]); in imports, $1,115 million (or DM1,560 billion). It is not hard to guess that, because of Germany's economic potential and geographical proximity, German firms are our major business partners in Poznan Voivodship. Their share in goods exports is as much as DM290 million, which represents as much as 56 percent of the total value of exports from Poznan Voivodship (at the same time, Germany's share in the value of our total national exports amounts to over 36 percent). As regards imports, the value of goods purchased in Germany comes to almost DM540 million, which represents 46 percent of the total value of imports for our voivodship (while the national index is 28 percent).

When we relate these figures to the size of the population, exports to Germany from Poznan Voivodship amount to DM215 per head of population, while the corresponding nationwide figure is approximately DM134. This is good reason for Poznan business circles to be satisfied with their performance. As regards imports, the results are DM395 per head of population in our voivodship and approximately DM145 per head nationwide. In this case, the figures should actually be seen as cause for concern in the business circles in our voivodship.

[Pakula] These data suggest that the trade balance for Poznan Voivodship is negative.

[Meissner] Unfortunately, this is true. The negative trade balance comes to almost DM250 million. Our imports from Germany are almost twice the value of our exports there.

[Pakula] Which goods do we export to Germany?

[Meissner] A fairly rich and varied range. Exceptionally high places on the list, representing a dozen or so percent each, fall to furniture (DM58 million) and clothing (DM84 billion); goods accounting for several percent of the total (representing, roughly, several million DM each) are sawn lumber, fruit and vegetable products, dairy products, poultry products, and electronic goods. Unfortunately, certain relations in the mutual trade exchange give rise to concern. Documents outlining the Poznan region's economic development prospects mention the potential for the agricultural and food sector, which stems from the existence of a large market for these goods in Berlin. We have known such situations from our past history. After all, before World War II certain Berlin restaurants received daily deliveries of products from the Wielkopolska region, such as, for example, fresh fish. Today we export dairy produce from Wielkopolska to Germany, but, at the same time, we import two and a half times as much—that is, DM9 million worth—of dairy produce from Germany to Wielkopolska. This is why our housewives often ask nowadays: "Do we really have to eat German cheese and German yogurt all the time?" The problem arises in part from certain international policies affecting trade exchange (such as tied transactions or state-contracted agricultural production), but also from the challenges of technological restructuring, which our producers have to face if they hope to meet the requirements posed by their customers.

[Pakula] Could you list the most important investors, including those from Germany, who have brought their capital to our voivodship?

[Meissner] In the years 1990-94, our foreign partners invested some DM420 million in the region. Following the example of such firms as CPC International, Alcatel from France, MacDonalds and Wrigley from America, IKEA from Sweden, Nestle from Switzerland, and the Japanese-Belgian firm Matsushita- Philips, the German companies that have already invested here are Volkswagen, Aesculap, Bertelsmann, Herlitz, Februe, Lisner, Aral, Heye Glass, and others. Out of the 1,160

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

joint-venture companies registered in Poznan Voivodship, the largest number—that is, as many as 394—are companies with German capital. The recent launch of the Berliner Bank AG in our area proves that the extent of German interest in the region continues to grow.

[Pakula] How do you encourage foreign firms to invest here?

[Meissner] There are several strong arguments in favor of their investing their capital here. Among these we should list the cost of skilled manpower, which is much lower here that in Germany (the average cost to the employer is about DM4 per man-hour); cheap sites available for new capital investment projects (with prices ranging from the virtually notional DM1 to DM10-20 per square meter of land on development sites); the possibility of cheap purchase of existing facilities belonging to enterprises in the process of liquidation; and the possibility of actual involvement in the privatization processes of state enterprises and, consequently, entering into partnership with very sound and reputable companies. Information on all of these opportunities is to be found in promotional documents published by the Voivodship Office, with the aim of furthering Poznan's economic development and foreign business ties.

[Pakula] You often hear opinions that German business partners are not exactly welcome in Poland.

[Meissner] It is probably an exaggeration to say "often." But it is true that such views are sometimes expressed by the so-called man in the street, and sometimes you even hear them from politicians. These fears are not confined to Poles alone. Some years ago the British were very worried to see the influx of capital from the Middle East, and so were the Americans, who warned of an economic "offensive" by the Japanese. Quite a lot of time has passed since then, and neither country has collapsed.

[Pakula] Even if we reject the arguments cited by demagogues, there are still justified fears stemming from our recognition of the fact that we are not prepared for the role of an economic partner.

[Meissner] As regards the process of adaptation to the role of economic partner, its progress rate in the economic sphere is different from the pace at which all the changes involved register in our social awareness. The time of Poland's eventual accession to the European Union [EU] will indeed bring so many changes that, if it were to take place as soon as the year 2000, I would share your concern about the state of our preparedness. However, even if our accession to the EU should take place a bit later, I still believe it is inevitable. What we must remember today whenever we ask ourselves about our place in the EU is that the road we want to follow and onto which we have stepped already leads through Germany. We must remember that, before the partitions of Poland [in the 18th century], the Polish-German border was seen for several hundred years as a symbol of peaceful coexistence. While we should not forget the Polish-German problems in the last two centuries, the present situation of an ongoing integration with Western Europe demands that we stress and accentuate the 700 years of harmonious cooperation in the history of our nations. That remains our great capital. It is also the capital of our entire Wielkopolska region, which is rightly called "the gate to the West" by experts specializing in regional policies as well as by all of our investors.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Foreign Ministry Assails Hungary's Minority Study

LD2606191295 Budapest Kossuth Radio Network in Hungarian 1400 GMT 26 Jun 95

[FBIS Translated Text] Here is an official Romanian attack against the Hungarian Foreign Ministry. Tibor Bogdan reports from Bucharest:

[Bogdan] In its statement issued today, the Romanian Foreign Ministry accuses the Hungarian Foreign Ministry of damaging Romanian-Hungarian relations in connection with the fact that the Hungarian Foreign Ministry has published a study on national and ethnic minorities of Hungary, which revives theses of revisionist writing of history. According to the study, Romanians settled in the Carpathian basin in the 16th century. The fact that the study, published under the auspices of the Foreign Ministry, can be considered as an official government position makes this situation even more serious. According to the Romanian Foreign Ministry, the official publication of such a position in Budapest contrasts profoundly with the idea of understanding between the two countries and their peoples and the issue of stability in the region; and this can only complicate the complex process of talks on the basic treaty. It is regrettable that all this happens when both sides are making extraordinary efforts to achieve historical reconciliation and to establish relations between Romania and Hungary which are in line with the real European spirit. Responsibility for the deterioration of the political atmosphere lies with the Hungarian Foreign Ministry, which has initiated this kind of action, the Romanian foreign affairs statement reads.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Federal

Red Cross Praises Milosevic's 'Positive Role'

LD2306194495 Belgrade TANJUG in English 1528 GMT 23 Jun 95

[FBIS Transcribed Text] Belgrade, June 23 (TANJUG)—President of the International Committee of the Red Cross (ICRC) Cornelio Sommaruga said Friday he highly appreciated Serbian President Slobodan Milosevic's positive role in solving the humanitarian crisis in the former Yugoslavia.

Sommaruga was speaking in an exclusive interview to TANJUG at the close of his two-day visit to the Yugoslav Federation of Serbia and Montenegro.

Sommaruga's visit to Yugoslavia and his meeting with Milosevic came after his appeal sent from Geneva last week to all parties to the conflict in Bosnia-Herzegovina, urging them to "reach minimum consensus on humanitarian issues unconditionally and without delay."

Sommaruga said, "I must primarily point out that this was not my first meeting with President Milosevic and that I highly appreciate the positive role which he has always tried to play in resolving issues relating to humanitarian activities in these lands."

"Regarding the appeal which I sent to the warring sides last Friday, indicating the necessity of respect for a minimum consensus on humanitarian issues, I wanted to secure President Milosevic's support so that the appeal yields results," he said.

Sommaruga said the meeting with Milosevic had laid emphasis on three essential points. "Firstly, Milosevic highly praised the ICRC efforts to date in these lands, pointing out its neutrality and impartiality, secondly, he gave full support to our current activities, and, thirdly, he underscored that he would make an effort to help secure free and unhindered movement for our relief aid convoys and their access to threatened areas," he said.

Sommaruga said Milosevic's support was coming at a time when ICRC was in constant contact with top Bosnian Serb and Moslem authorities, over the deteriorating humanitarian situation in Bosnia-Herzegovina.

Libyan, FRY Deputies Urge 'Impartial Conduct'

LD2406201995 Belgrade TANJUG in English 2002 GMT 24 Jun 95

["Pool" item]

[FBIS Transcribed Text] Tripoli, June 24 (TANJUG)—Chairman of the Yugoslav Parliament Foreign Policy Committee Borisav Jovic and his Libyan counterpart Mustafa Mujbar agreed in talks here on Saturday that a military solution to the crisis in the former Yugoslavia was not possible.

Jovic, who is also vice president of the ruling Socialist Party of Serbia, heads his party delegation on an official visit to Libya at the invitation of the movement of revolutionary committees of Libya.

Jovic informed Mujbar about efforts by Yugoslavia [Federal Republic of Yugoslavia—FRY] and his party to help restore peace in the former Yugoslav Republic of Bosnia-Herzegovina as early as possible.

He said that the basic precondition for reaching a negotiated peace was impartial conduct of the big powers and equal treatment of the warring sides.

Mujbar and Jovic opposed in principle the use of sanctions as an instrument of force in international relations, and stressed that sanctions had never helped solve any international dispute.

The Libyan people and leadership would prefer if the former Yugoslavia had never broken up, Mujbar said and added that a common state had been the best solution for the peoples of the former Yugoslavia.

Jovic said that the international community had punished the Federal Republic of Yugoslavia precisely because of its opposition to the break-up.

Mujbar said that contacts between Libya and Yugoslavia had been preserved on all levels despite the difficulties burdening both countries.

Mujbar accepted Jovic's invitation to visit Yugoslavia in the near future.

Jovic on Saturday also met with Ibrahim Saleh, a prominent leader of the movement of the revolutionary committees and adviser to Libyan leader Mu'ammar al-Qadhdhafi.

Parliament Speaker, Imbeni Urge Equal Treatment

LD2306213295 Belgrade TANJUG in English 1724 GMT 23 Jun 95

[FBIS Transcribed Text] Belgrade, June 23 (TANJUG)—Yugoslav parliament's lower house Speaker Radoman Bozovic and European Parliament Vice President Renzo Imbeni agreed here Friday that the international community should apply the same principles and criteria in the case of all warring sides in the former Yugoslavia.

Bozovic and Imbeni also agreed that the international community should make all warring sides responsible for an end to the war and the reaching of peace,

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

a statement released by the office of speaker of the Chamber of Citizens said.

Imbeni is attending the international roundtable "Democratic Processes and Ethnic Relations" in Belgrade at the invitation of the Democratic Centre.

Bozovic and Imbeni discussed possibilities for further cooperation between the Yugoslav legislature and the European Parliament, which they assessed as necessary and useful, and presented a series of practical ideas for a significant intensification of the mutual contacts.

Bozovic informed Imbeni about the essential elements of Yugoslavia's policy aimed at ending the civil war in the former Yugoslavia, the statement said.

Imbeni had talks on Friday also in the Yugoslav Foreign Ministry.

In the absence of Foreign Minister Vladislav Jovanovic, Imbeni was received by Assistant Foreign Minister Miodrag Mitic. The talks were focused on the latest developments in the former Yugoslavia, a ministry statement said.

FRY, CIS Deputies: No Reason for Sanctions

LD2606184995 Belgrade TANJUG in English 1651 GMT 26 Jun 95

[FBIS Transcribed Text] Belgrade, June 26 (TANJUG)—Yugoslav deputies and those of the Commonwealth of Independent States (CIS) Interparliamentary Assembly agreed Monday that there was no reason whatsoever to maintain the sanctions against Yugoslavia [Federal Republic of Yugoslavia—FRY].

In talks held in Belgrade, CIS deputies stressed the importance of a decision by the Russian Duma (lower house) to make the government pledge that it will oppose application of the policy of double standards in resolving the crisis in the former Yugoslavia.

The Yugoslav delegation was headed by Chairman of the Yugoslav Parliament Upper House Committee for Foreign Relations and Foreign Trade, Slobodan Babic.

The three-member delegation of the CIS Interparliamentary Assembly was headed by its Secretary-General Mikhail Josipovich Krotov.

It was stated in the talks that Yugoslavia followed the principled policy of peace and that it urged talks in settling the Bosnian conflict.

Also, it was stressed that the maintaining of the sanctions against Yugoslavia encouraged forces of war.

The talks dealt also with the need for further promotion of parliamentary as well as other forms of cooperation.

Roundtable on Ethnic Relations Ends

LD2406203695 Belgrade TANJUG in English 2009 GMT 24 Jun 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, June 24 (TANJUG)—Democratic Centre Fund President Dr. Dragoljub Micunovic said here Saturday that the idea according to which the people on the territory of the former Yugoslavia could not live together was entirely wrong.

Closing a two-day international roundtable on "Democratic Processes and Ethnic Relations," organized by the Democratic Centre Fund, Micunovic said it was true that members of different ethnic groups had been doing various injustices one to another but that it was just as true that they had lived together in peace and concord for longer periods.

Vice president of the governing Socialist Party of Serbia, Goran Percevic, said the roundtable had reflected "an atmosphere of growing tolerance in Belgrade."

Percevic set out that his party was genuinely ready for dialogue on the issues discussed at the roundtable.

Dr. Allan Kassof of the Centre for Ethnic Relations in Princeton, United States of America, said the meeting had showed that minorities would have to be more flexible, patient, and creative in comprehending and interpreting the interests of the whole but that an immense responsibility rested also with the Serb majority.

Kassof said the roundtable discussions would positively reverberate abroad and would be received as Serbia's wish "to erase the line" between itself and the rest of the world.

Minister on Hungarian Minority's Autonomy Goals

LD2506182295 Belgrade TANJUG in English 1819 GMT 25 Jun 95

[FBIS Transcribed Text] Kragujevac, Yugoslavia, June 25 (TANJUG)—There are indications that the ultimate objective of some representatives of the Hungarian minority in Yugoslavia is the same as that of ethnic Albanians, Yugoslav Minister Margit Savovic said in an interview with Kragujevac Radio Sunday.

Commenting on a demand by the Alliance of Hungarians that ethnic Hungarians in Yugoslavia be granted territorial and personal autonomy, Savovic, who is a minister in charge of human and minority rights, said that such a concept was contrary to the Yugoslav Constitution.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

The Constitution defines autonomous provinces in Yugoslavia as territorial autonomies of all citizens living there, Savovic said.

Territorial and personal autonomy granted to one minority group alone is not based on international documents, Savovic said.

Such autonomy is particularly unacceptable in the Federal Republic of Yugoslavia because it would put some of its citizens in a priviledged position and create an autonomy within autonomy, Savovic said.

Yugoslavia has a minority of about 360,000 ethnic Hungarians, who live mostly in the northern parts of Serbia's province of Vojvodina.

Government Accuses Bosnian Muslims of Genocide

LD2606172895 Belgrade TANJUG in English 1459 GMT 26 Jun 95

[FBIS Transcribed Text] Belgrade, June 26 (TANJUG)—The Yugoslav Government asked on Monday the International Court of Justice in The Hague to declare the so-called Republic of Bosnia-Herzegovina guilty of violating the 1948 convention on the prevention and punishment of crimes of genocide.

A statement released by the Yugoslav Information Secretariat said that the government had asked the court in The Hague to prevent further crimes of genocide and indemnify the population that had suffered as a consequence of such crimes.

The Yugoslav Government has empowered the Foreign Ministry to submit to the court in The Hague documentation on the matter on 1,000 pages, drawn up by a team of experts, the statement said.

The former Yugoslav Republic of Bosnia-Herzegovina is being torn apart by civil war that broke out among the local Muslims, Serbs, and Croats in May 1992.

In the interethnic fighting, a large number of Serbs has been killed or displaced from their ancestral lands, contrary to the international convention on the prevention and punishment of crimes of genocide.

Bank Governor Urges Budget Cuts, Investments

LD2506175795 Belgrade TANJUG in English 1751 GMT 25 Jun 95

[FBIS Transcribed Text] Belgrade, June 25 (TANJUG)—The author of the Yugoslav program of economic recovery, Dragoslav Avramovic, said in a document that Yugoslavia needed a cut-down in budgetary expenditure, a fiscal reform, and annual two-billion-dollar investments in the 1995-97 period.

Avramovic, who is governor of the National Bank of Yugoslavia, said this is a document titled "Economic Growth 1995-97: Key Points in Strategy of Development."

Some difficulties have to be settled before the market could start functioning, Avramovic said.

He said one of the difficulties was the fact that the national currency, the dinar, was doubly burdened—by the loss of its domestic purchasing power, caused by internal price rises, and by its sinking exchange rate, which resulted from the fact that the nation had embraced the Deutsch mark [German mark] as the monetary standard.

This is clearly reflected in the depreciation of the dinar, whose worth is 50-55 percent to a Deutsche mark, and 25 percent to a U.S. dollar.

Another major problem is a chaotic financial market, on which state-run banks grant 15-20 percent interest rates per year, and private banks as much as one percent per day on the free market.

This is partly caused by inflation projections, which are provoking monthly price rises of five percent on the average, Avramovic said.

More balanced interest rates and exchange rates should also give a breath of life to domestic savings and attract foreign capital.

Avramovic said a reduction in government expenditure was the most pressing task for the Yugoslav political system because it involved distribution of income and authority. He therefore proposed that a political commission be set up to deal with the issue.

In that context, he also proposed a reconstruction of the tax system, in which taxes should no longer be collected from wages and income in advance but from real profit of the firms.

Electricity Accord Signed With Greece, Romania

LD2606163695 Belgrade TANJUG in English 1335 GMT 26 Jun 95

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, June 26 (TANJUG)—Representatives of the Yugoslav, Greek, and Romanian electric power industries signed a contract Monday on joint parallel work, the Serbian electric power enterprise said.

The contract should secure a more reliable work of the three countries' electric-power systems and assistance in damage repair work. It should create conditions

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

for commercial exchanges of electric power once the sanctions against Yugoslavia are lifted.

The contract was signed by directors-general of the electric power enterprises, Dusan Jovanovic (Serbia), viktor Romert (Romania), Rafael Majopoulos (Greece), and Svetislav Bulatovic (Electric Power Coordinating Centre).

Through their cooperation, the three countries' electric power industries would help the further expansion of the 400-kv transmission grid, the possible development of power plants, and the optimum uses of the available generation and transmission capacities, the Serbian electric power enterprise said.

Commentary Criticizes German Role in RRF

LD2606134795 Belgrade TANJUG Domestic Service in Serbo-Croatian 1101 GMT 26 Jun 95

[FBIS Translated Text] Belgrade, 26 Jun (TANJUG)—For the first time since World War II, German soldiers and German military equipment will again find themselves in the Balkans, or to be more specific, on the Bosnian battlefront. German Chancellor Kohl's government this morning decided that Germany will take part in the recently formed international Rapid Reaction Force [RRF].

The Kohl Cabinet's decision is to be confirmed on Friday by the German Bundestag, but judging by the balance of power in the parliament it is almost certain that the decision will be approved.

When French President Jacques Chirac launched the idea of the Rapid Reaction Force, and even after the special resolution on it was passed by the UN Security Council, it was believed that the force would consist of soldiers from France, Great Britain, and the Netherlands. However, it seems that some countries have understood the resolution as an opportunity to prove themselves on the battlefield, so a kind of auction began among the main pretenders.

The fastest to move was Germany, which has now been given an opportunity to realize its old ambitions—to find itself again where it was about 50 years ago—in the Balkans. However, the arrival of the German soldiers on the Bosnian battlefield will not set a precedent. The Turks did it first by sending around 1,500 soldiers to join UNPROFOR [UN Protection Force] in Bosnia. They broke an unwritten principle, which was tacitly endorsed by everyone, that troops from the neighboring countries or from countries whose troops would not be welcome for historic reasons should not be sent to Bosnia, or rather, to the territory of the former Yugoslavia.

In any event, the Rapid Reaction Force is a new factor in the Bosnian conflict, and German participation in it is indeed a brazen defiance and represents a huge risk of the conflict turning into an open military confrontation with the Serbs in Bosnia. Germany is one of those countries which has openly sided with the Muslims and Croats against Serbs in the Bosnian conflict.

At this time no one knows how many German soldiers will join the Rapid Reaction Force. But the Germans will send powerful military equipment—six to eight state-of-the-art Tornado combat aircraft and special purpose armored vehicles—as well as equipment and personnel for a hospital in Split which will be used only by the Rapid Reaction Force.

Under a Security Council decision, the members of the force will wear their individual countries' uniforms, but they will have UN insignia. They will be much better armed than UNPROFOR. Tanks, guns, armored vehicles, and helicopters have already arrived at the Bosnian battlefront with the first group of 2,500 Rapid Reaction troops. Aircraft at NATO bases in Italy are ready to provide air support for them.

According to military expert analyses, the Rapid Reaction Force's weapons lead to the conclusion that they will be used for offensives and that they will not strictly adhere to the tasks specified in the Security Council resolution. According to the resolution, their basic task is to protect the UN Protection Force, humanitarian convoys, or the possible regrouping of the peace forces.

Opinion in the world is split, however, over whether the setting up of the Rapid Reaction Force is justified. Almost everyone believes that this experiment is a huge unknown and that the wisdom, or the lack of it, of sending such "reinforcement" to UNPROFOR will become clear only when they are deployed in Bosnia.

As for the Germans, everything is clear. If there had been any wisdom or objectivity, neither Turkish nor German soldiers would ever have been sent to the Bosnian battlefield.

Serbia

St. Petersburg Delegation Focuses on Trade

LD2406143495 Belgrade TANJUG in English 1409 GMT 24 Jun 95

[FBIS Transcribed Text] Belgrade, June 24 (TANJUG)—President of the Serbian Chamber of Commerce Vlajko Stojiljkovic on Saturday [24 June] received a visiting delegation of St. Petersburg officials and economists, led by head of the region Aleksandr Belyakov.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Stojiljkovic said that economic cooperation with St. Petersburg companies focused on high technology and related programmes and stressed the importance of economic linking in chemical industry, agroindustrial complex, and other fields.

He said that industrialized Western countries were primarily interested in selling their products in Russia and not in technology transfer, the field in which economy of the Yugoslav Republic of Serbia had much to offer to Russian friends and partners.

Belyakov said that the traditional friendship between Russia and Yugoslavia had resulted in a very good economic cooperation, which was severed because of the international sanctions against Yugoslavia.

Possibilities are now emerging for restoring cooperation in all fields and preparations should already be made for it, he said.

The Russian delegation includes Industry Minister of the St. Petersburg regional government Anatoliy Baranov, Deputy Finance Minister Galina Oksyutik, and a number of big company directors.

Families of Forcibly Mobilized Men Demonstrate

AU2606193495 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 26 Jun 95

[FBIS Translated Text] Family members and relatives of the forcibly mobilized men for fronts in Bosnia-Herzegovina and Croatia demonstrated in Belgrade today. Give us back our men and our sons, the banners read. According to statements of family members, the recruits were taken straight from their beds in the middle of the night or they were taken off of trains by the police. According to UN information, the figure in question is 2,500 men.

Muslim Leader Discusses Situation in Sandzak

AU2606131995 Zagreb VECERNJI LIST in Serbo-Croatian 19 Jun 95 p 7

[Interview with Sulejman Ugljanin, president of the Muslim National Council of Sandzak, by Azra Kaurin in Zagreb; date not given: "We Are Requiring a Special Status for Sandzak"]

[FBIS Translated Text] The latest events in Bosnia-Herzegovina and Croatia have produced a powerful echo everywhere but in Vojvodina and Sandzak. During the last three years the population of Sandzak has been emigrating under pressure. The problem of Sandzak and the survival of its Muslim population is becoming an increasingly difficult problem for Serbia and Montenegro. Mr. Sulejman Ugljanin, the leader of the Sandzak Muslims, has been living in exile for more than a year. We talked to him during his recent visit to Zagreb.

[Ugljanin] I am coming from Sarajevo, where I participated in the work of the Assembly of the Republic of Bosnia-Herzegovina, which adopted the Declaration on Sandzak. Bosnia-Herzegovina is determined to ask the international community to grant Sandzak special status. This issue should be solved within the international conference on the former Yugoslavia. The declaration required that the Sandzak issue be placed on the agenda of the Geneva conference. The talks about the status of the Serbs in Bosnia-Herzegovina and their possible ties with Serbia must be conditioned by the same type of ties between Bosnia-Herzegovina and the Sandzak Muslims. If this condition is accepted, Milosevic will have to give up Bosnia-Herzegovina.

The World Respects Criminals

[Kaurin] Is there not the fear that this declaration might also lead to a new Yugoslavia?

[Ugljanin] A new Yugoslavia is excluded. The attitude of the Muslim National Council (MNV) is clear. The borders of the states that came into existence in the territory of the former Yugoslavia cannot be changed. The MNV supports a sovereign and unitary Bosnia-Herzegovina with a special status for Sandzak. The Muslim population in Sandzak trusts neither Serbia nor Montenegro. We shall require a special status for Sandzak. Muslims and Croats who live in occupied territories are terrorized. The Serbian opposition does not mention it. Not a single opposition party has said that Muslims, Croats, Hungarians, Albanians, and others must be given what they are entitled to. For the Serbs in Croatia and Bosnia-Herzegovina, however, they require republics.

[Kaurin] What can you say on behalf of the Muslim National Council about the announcement that Milosevic might recognize Bosnia-Herzegovina?

[Ugljanin] The international community has taken on the obligation not to accept the occupation of territories by force and not to recognize political solutions imposed by force. This is not true, however. They respect the Knin rebels. They recognize the criminals Martic and Karadzic as international subjects. At the same time, however, they do not recognize the right of the legal authorities of Bosnia-Herzegovina and Croatia to defend themselves. No rights of the Sandzak Muslims are recognized. Even before Croatia was attacked, the Muslim National Council of Sandzak had decided that our young men should not join the former Yugoslav People's Army.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Reservists Commit Genocide

[Kaurin] How many Sandzak Muslims have joined the Bosnia-Herzegovina Army?

[Ugljanin] We do not have exact data. I have recently visited soldiers on the frontlines in Bosnia-Herzegovina, and I have seen many young men from Sandzak. The Serbs kill all the Sandzak soldiers they arrest. There is no exchange for Sandzak soldiers; they are killed on the spot.

[Kaurin] Almost no information is coming from Sandzak. What is the situation like in that part of Serbia and Montenegro?

[Ugljanin] Sandzak was occupied two months before Bosnia-Herzegovina was attacked. Serbia and Montenegro brought strong military and police forces to Sandzak. More than 29,000 Serbian and Montenegrin reservists and a large amount of weapons came. The Muslims were excluded from the Serbian Constitution and lost all rights on 7 April 1992. We withdrew our deputies from the Serbian Assembly. The MNV took the attitude that the Sandzak Muslims should not participate in their elections. Open genocide on Muslims began—murders, kidnappings, rigged trials, burning down villages, and displacing people.

Continuous Arrests

[Kaurin] Signing the petition for your return to Sandzak and for the liberation of arrested Muslims from Serbian prisons was completed in May both in Sandzak and in the countries where the Sandzak Muslims now live. Can we expect you to return to Sandzak soon?

[Ugljanin] I have been out of Sandzak since mid-September 1993. I participated in the work of an international meeting in The Hague when I learned that Serbian policemen searched my apartment in Novi Pazar. They came to arrest me; they even issued an international warrant of arrest for me. An MNV delegation went to Belgrade to ask why I was wanted for arrest and was told that this was a matter of the Serbian intelligence service, and not of a regular court.

All the leaders of the Serbian and Montenegrin branch of the Party of Democratic Action (SDA) have already been arrested and sentenced. I personally decided to return to Sandzak a long time ago. The MNV did not allow me to, however. The United Nations and West European countries are required to guarantee my safe return and undisturbed work.

Strong police forces tried to prevent the signing of the petition. More than 73,000 Sandzak Muslims and more 46,000 Muslims who live abroad have signed petitions for my undisturbed return to the country and for the liberation of political prisoners.

[Kaurin] As long as you live in exile, Milosevic will try to win over some Muslims to negotiate with them over the status of Sandzak. There were rumors about a rift within the Sandzak Muslim National Council. Are they true?

[Ugljanin] Milosevic tried to provoke a rift through the media to make certain people who abandoned the MNV platform important. After Harun Hadzic, the chairman of the Montenegro SDA, was arrested and after the warrant was issued for the MNV chairman, Milosevic thought that his favorites among the Sandzak Muslims would be able to work. They believed they could easily reach a compromise. They tried to treat Sandzak as an internal Serbian problem. The people rejected these negotiators, however. The Sandzak population does not allow these "negotiators" to sit with them together in the same cafe any longer. They do not exist for us, they are not even worth mentioning. Milosevic gave them enough space for speaking in his media, and legal MNV representatives were not even allowed to write in newspapers.

Those who want to negotiate with Milosevic must know that the party leadership is imprisoned because of the Sandzak problem. They have to know that people suffer. There is a large number of Sandzak Muslims who are waiting to return to the country. If someone should be entitled to negotiate, this can only be the MNV with international guarantees.

[Box, p 7]

A Thorn in Milosevic's Side

[Kaurin] Can you tell us something more about the terror committed on the civilian population of Sandzak?

[Ugljanin] At the beginning of the aggression on Bosnia-Herzegovina columns of refugees were coming from eastern Bosnia to Sandzak. Confusion ensued. The Serbian regime was always entering Muslim homes conducting searches. The Serbian regime abused and tormented the people. More than 74,000 women, children, and old people from eastern Bosnia came to Sandzak. Those who did not have anywhere else to go remained with many families in Sandzak.

Along the border between Sandzak and the Republic of Bosnia-Herzegovina, ethnic cleansing was carried out in 51 villages in the communes of Priboj and Pljevlja—so that the Muslims could not see how many weapons and soldiers were crossing the border into Bosnia. Several hundred houses, shops, and industrial facilities were destroyed with explosive and other devices. There

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

are records of approximately 64 people killed, whose names are known, while 181 people are missing. Serbian military sources and the Serbian press claim that these people were killed. Without any proof, 45 Muslims were sentenced to 167 years in prison in rigged trials. There are many individual examples of murders. Muslims were dismissed from important functions. Jaundice rages over Sandzak, and measures are deliberately not taken to stop it. Serbian policemen and people in various uniforms seize goods from Muslim shops whenever they want.

Milosevic is trying to suffocate the political struggle in Sandzak in every way possible. Sandzak is a thorn in his side. He imprisoned all the people who could negotiate.

Opposition Urges Contact Group Plan Acceptance

LD2606192395 Belgrade TANJUG in English 1840 GMT 26 Jun 95

[FBIS Transcribed Text] Belgrade, June 26 (TANJUG)—Serbia's opposition Renewal Movement invited on Monday the leaders and parliament of the Bosnian Serb republic to accept the plan for Bosnia put forth by the five-state Contact Group.

Acceptance of the plan would make it impossible for the Muslim-Croat coalition in Bosnia to blame its own military offensives on the Serb side as the only one that has refused to accept the plan, the party said in a statement.

The statement was issued from a joint session of the presidency, deputies to the parliaments of Serbia and Yugoslavia, and chairmen of the district committees of the Serbian Renewal Movement, which is one of the most influential opposition parties in Serbia.

This move on the part of the Bosnian Serbs would be greeted throughout the world and all blame for the perpetuation of the killing and destruction would rest with the Muslim-Croat federation and its army, the statement said.

If the Bosnian Serb side musters the courage to offer peace and reconciliation between neighbours and cousins without delay, it will win the support of all rational people in the world, the statement said.

This would also bring inevitable and final historical defeat to those who might reject a peace offer, and result in the immediate lifting of international sanctions against the Yugoslav Federation of Serbia and Montenegro, it added.

The Serbian Renewal Movement invited also the leaders and parliament of the republic of Serb Krajina to accept the plan offered by the Zagreb group of four, known as Z-4, as the basis for political talks with Croatia.

It said that "a sovereign parliament of Serb Krajina, government, full judicial and police authorities, a national currency, state flag, coat-of-arms and anthem and automatic citizenship of Serbia for all who might want it are an acceptable basis for political talks."

These rights are guaranteed by Russia, the United States, France, Great Britain, and Germany, it added.

"Let (Croatian President Franjo) Tudjman, who is refusing to accept the plan, come into conflict with the big powers and the world," the statement said.

SPO Issues Statement

AU2606154195 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 26 Jun 95

[FBIS Translated Text] At their joint session, the Presidency of the Serbian Renewal Movement [SPO], the presidents of regional committees, and the party's deputies to the Republican and Federal Assemblies, issued a statement for the public inviting the leadership and the assembly of the Serb Republic [Serb-held entity in Bosnia-Herzegovina] to accept the Contact Group's peace plan as the starting basis for political negotiations and in this way prevent the Muslim-Croat coalition [Bosnia-Herzegovina Federation] from accusing the Serb side for its war offensives in front of the world just because it is the only side that has not accepted the peace plan.

The statement reads further:

We do not expect the war to stop the moment the Serb side accepts the Contact Group plan and invites the Muslim-Croat leadership to sign the truce and negotiate on all contentious issue. It is more than certain, however, that such a move would be welcomed throughout the world and that all responsibility for the prolongation of the death and destruction would fall on the Muslim-Croat Federation and its army.

We also appeal to the leadership and assembly of the Republic of Serb Krajina to be prudent and courageous by accepting the Z-4 peace plan as the basis for political negotiations with Croatia. The sovereign parliament of the Serb Krajina, its government, its entire judiciary and police authorities, its state currency, flag, coat of arms, and anthem, as well as automatic citizenship of Serbia for all those who want it, represent an acceptable basis for political negotiations, all the more so as all these rights of our people in the Serb Krajina would be guaranteed by Russia, the United States, France, Britain, and Germany, as well as Serbia and Montenegro.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

Let Tudjman, who is refusing to accept the plan, fight with the major powers and the world, the statement says.

This is not the moment for leadership, party, or any other rivalry, vanity, and vengeance. [sentence as heard] This is not the moment to call anyone to account for the many mistakes and sins that have been committed. This is the moment for all of us to invest everything that we have in life, renewal, and catching up with the runway future. The issue of peace is the issue of all our human, national, and state issues, since, if the war continues, or if it flares up, all roads to economic, democratic, and biological renewal will be closed.

This was stated in the statement issued by the Presidency and the deputy caucuses of the SPO.

Trade Union Notes Drop in Employment

AU2606160295 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 26 Jun 95

[FBIS Translated Text] The Serbian trade union organization still supports the program of the country's economic renewal, but demands from the federal and republican governments additional measures to protect the stability of the dinar and prices, increase production, return workers from early vacation, and determine salaries through collective pay agreements.

This was stated at the session of the Confederation of Trade Unions of Serbia, which discussed employment and the position of the employed and their families. It was stressed that there were 2,273,000 people employed in Serbia last year. This is 2.1 percent fewer in comparison to the year before. The trade union organization opposes measures aimed at determining a surplus of workers and demands that conditions be created for new production programs and new jobs.

It was stressed in particular that there are between 500,000 and 1 million workers employed in the private sector and that their employers have not registered them. These workers are paid in cash and do not realize any rights from their employment. They are also prevented from joining trade unions. Therefore, the trade union organization demands urgent measures that will ensure all rights to those working in the private sector.

Zastava Company To Produce New 6.35-mm Pistol

AU2706063695 Belgrade POLITIKA in Serbo-Croatian 25 Jun 95 p 11

[Article by "B.V.": "A New Type of Pistol"]

[FBIS Translated Text] The Zastava Namenski Proizvodi factory is carrying out extensive preparations for the start of the production of a new 6.35-mm pistol.

The factory is currently working on the tools necessary to produce the new pistol. Out of 300 planned tools, more than one half have been produced so far. The production of tools is expected to last until the end of July.

This will facilitate the start of the serial production of parts for the Zastava's new pistol immediately following the end of the collective vacation.

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

BULK RATE
U.S. POSTAGE
PAID
PERMIT NO. 352
MERRIFIELD, VA.

This is a U.S. Government publication produced by the Foreign Broadcast Information Service (FBIS). Its contents in no way represent the policies, views, or attitudes of the U.S. Government.

FBIS collects, translates, disseminates, and analyzes foreign open-source information on behalf of the U.S. Government. Its publications may contain copyrighted material. ***Copying and dissemination is prohibited without permission of the copyright owners.***

— Bracketed indicators before the first sentence of each item describe the way in which the material was processed by FBIS.

— Headlines and all bracketed explanatory notes are supplied by FBIS.

— Personal and place names are rendered in accordance with the decisions of the U.S. Board on Geographic Names as adapted by FBIS. Unverified names in radio and television material appear in parentheses and are spelled phonetically; words and phrases in parentheses preceded by a question mark are unclear in the original and deduced from context.

SUBSCRIPTION INFORMATION

U.S. Government Customers

For a list of FBIS products, to subscribe to an FBIS publication, or to indicate a change of address contact:

FBIS
P.O. Box 2604
Washington, DC 20013-2604
Telephone: (202) 338-6735
FAX: (703) 733-6042

Non-Government Customers

Subscriptions are available from the National Technical Information Service:

NTIS
5285 Port Royal Road
Springfield, VA 22161
Telephone: (703) 487-4630
FAX: (703) 321-8547

New subscribers should expect a 30-day delay in receipt of the first issue.